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London	11.30	Frankfurt	11.30	Paris	11.30
Geneva	11.30	Zurich	11.30	Hong Kong	11.30
Singapore	11.30	Seoul	11.30	Manila	11.30
Beijing	11.30	Tokyo	11.30	Osaka	11.30
Amman	11.30	Baghdad	11.30	Delhi	11.30
Moscow	11.30	Washington	11.30	New York	11.30
London	11.30	Frankfurt	11.30	Paris	11.30
Geneva	11.30	Zurich	11.30	Hong Kong	11.30
Singapore	11.30	Seoul	11.30	Manila	11.30
Beijing	11.30	Tokyo	11.30	Osaka	11.30
Amman	11.30	Baghdad	11.30	Delhi	11.30
Moscow	11.30	Washington	11.30	New York	11.30



WORLD RECORD — Sally Gunnell of Britain, right, winning the 400-meter hurdles Thursday night at the World Athletics Championships in Stuttgart. Her time of 52.74 seconds edged out Sandra Farmer-Patrick of the United States, left, as both women broke the old world mark. Margarita Ponomaryova of Russia took third. Page 17.

U.S. Steps In to Halt Yen's Rapid Advance

Tokyo to Shift Currency Gains To Consumers

Fed's Action Suggests a Deal With Japan

By Steven Brill
International Herald Tribune

TOKYO — The new coalition government vowed Thursday to deregulate and restructure the Japanese economy, but a lack of specifics suggests progress will be slow and frustrating for Japanese consumers and foreign governments.

Stating that the surge in the yen put the economy in worse straits than the previous government had acknowledged, Japan's economic cabinet ministers promised to compile a plan by mid-September to lessen control on business and quickly transfer the benefits of the strong yen to consumers.

It also said it hoped to craft a broader, longer-range restructuring program by year-end that would include annual targets for deregulation. This is being dubbed the "Second Maekawa Report," a reference to the landmark 1986 plan by former Bank of Japan Governor Haruo Maekawa that called for transforming Japan's industrial structure, making it less reliant on exports and more open to imports.

Although lacking specifics, Thursday's comments mark a determination by Japanese leaders to do more than talk about deregulation. The proposed annual targets, likely to include reductions in tariffs and import restrictions, would be a rare example of active deregulation.

The pronouncements also come from a government determined to redraw electoral districts to give greater voice to urban consumers, whose interests have been given short shrift.

"If the Liberal Democratic Party announced deregulation it would be seen as business-as-usual," said Yasumori Sone, a professor of political science at Keio University. "But this is a new government and the beginning of a new era in the bureaucratic policy-making process."

Prime Minister Morihiro Hosokawa is likely to add some substance to his vision of a more comfortable Japan when he makes his first major policy speech, on Monday. Whereas his predecessor, Kiichi Miyazawa, spoke abstractly about making Japan a "lifestyle superpower," Mr. Hosokawa may describe ways to make life easier for the middle class.

Still, untagging the thicket of regulations See JAPAN, Page 15

2 Years Later, Yeltsin Looks Over His Shoulder

By Steven Erlanger
New York Times Service

MOSCOW — Two years after the failed coup that led to the collapse of the Soviet Union, President Boris N. Yeltsin said Thursday that another "reactionary putsch" was still a possibility but that he was confident the Russian people would reject a return to the past.

"Very painful transformations are in progress," Mr. Yeltsin said. "But the Russian people continue to be loyal to the choice made that August."

At a formal anniversary news conference in the Kremlin, Mr. Yeltsin, in a jaunty mood, said that he had already begun "an artillery barrage" against his opposition in the holdover parliament. He said he had prepared documents to force new elections this autumn to break the paralysis of government.

But Mr. Yeltsin talked very little about plans to force through a new constitution that would dissolve the parliament, an act that regional leaders have advised against. Instead, he is concentrating on getting new elections first, apparently hoping to end up with a more malleable, market-minded legislature that might make a new constitution easier to adopt.

His biggest mistake two years ago, Mr. Yeltsin said, was to fail to dissolve the parliament and hold new elections immediately. "It didn't even cross our minds then that a parliament might need re-election," he said, suggesting that this realization was itself a measure of how much people's frame of mind had already changed.

As if to remind him of his error, the speaker of the parliament, Ruslan I. Khasbulatov, bluntly rejected the idea of new elections.

"There will be no early elections this autumn," said Mr. See YELTSIN, Page 4

Hezbollah Renews Attacks, Killing 8 Israeli Soldiers

By Clyde Haberman
New York Times Service

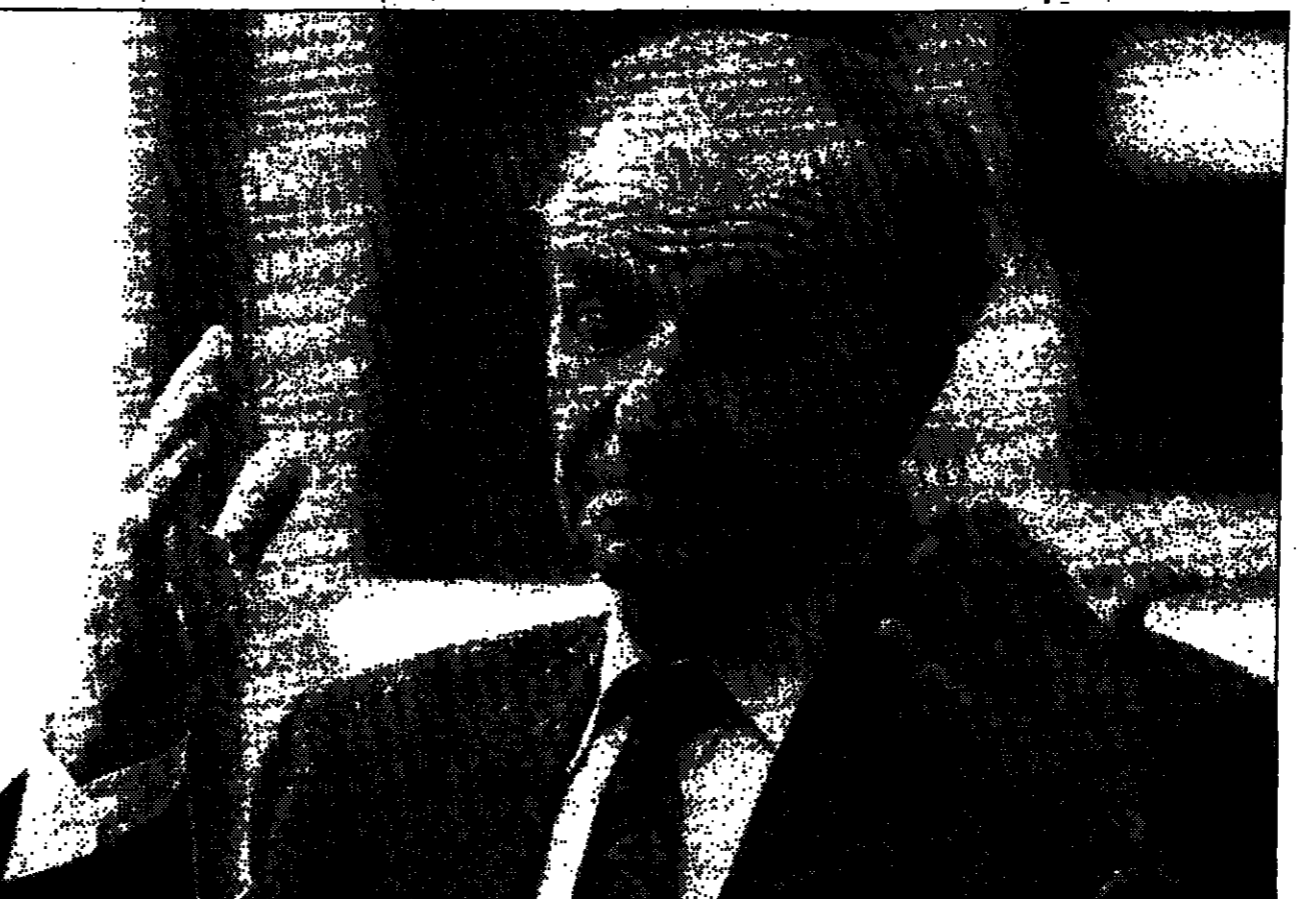
JERUSALEM — Eight Israeli soldiers on patrol in southern Lebanon were killed by bombs Thursday in two separate attacks that, combined, represented the most deadly assaults on Israeli forces in five years.

After the first bomb, which killed seven soldiers and wounded two, Israeli planes retaliated with strikes against bases near the Syrian border of the Iranian-backed Hezbollah, or Party of God, whose guerrillas claimed responsibility.

Two guerrillas were reported killed in the air raids, which took place away from civilian areas.

The Islamic Resistance, the guerrilla arm of Hezbollah, said it then hit back with the second bomb attack in the same part of southern Lebanon, killing one more soldier and wounding two.

There was no immediate sign, however, that



GRAPPLING WITH THE MAP — President Alija Izetbegovic on his way to the talks in Geneva on Thursday. He said later that no progress had been made on the carving up of Bosnia-Herzegovina and that he was "not an optimist" about a rapid resolution. Page 2.

U.S. Jets Strike Iraq Missile Site After a Firing

Compiled by Our Staff From Dispatches

WASHINGTON — In an echo of the Gulf War, United States aircraft pounded an Iraqi anti-aircraft site in the northern air-exclusion zone Thursday after it had fired two missiles, the Pentagon said.

The Americans struck the Iraqi site first with two fighters and, an hour later, with a pair of "round-attack" planes, officials said. The missile site, near the northern city of Mosul, was reported destroyed.

It was a more aggressive U.S. action than usual against Iraq's defiant air defenders.

Iraq denied having fired first. But for the first time in seven months, it said its gunners had opened fire on the attackers and chased them off.

Foreign Minister Mohammed Said Sahhaf, striking a harsher note after relatively mild Iraqi comments on recent air strikes, described the raid as "a vicious aggression."

The Pentagon said that it was among the most serious incidents since President Bill Clinton took office in January, but that it was not known whether this represented a change in policy by President Saddam Hussein.

"Whether this is part of a new push by Saddam Hussein, you'll have to ask Saddam Hussein," a spokesman said. "We're treating this as an isolated incident."

Baghdad also issued a protest to the United Nations, saying the air-exclusion zones imposed by the Gulf War allies on northern and southern Iraq were illegal, and it warned of a right to self-defense.

"Iraq reserves its full right to legitimate self-defense in accordance with international law and the UN Charter," the Iraqis said.

The Defense Department said Thursday that its planes had dropped cluster bombs and laser-

Israel was gearing up for massive reprisals comparable to the weeklong shelling and air strikes in late July.

That assault, dubbed "Operation Account-ability," came after Israeli soldiers had been killed in Lebanon, and it left more than 130 people dead and 250,000 Lebanese temporarily displaced.

Hundreds of nervous civilians in southern Lebanon reportedly fled for safer areas Thursday out of fear that Israel would attack again.

The fighting in July ended with a United States-arranged cease-fire under which the Israelis called off their operation and the Hezbollah agreed to stop firing rockets at towns and settlements in Israel.

Hezbollah never promised, though, to stop attacking Israeli forces or the Lebanese militia.

Lieutenant General Ehud Barak, the Israeli chief of staff, said that the events Thursday had nothing to do with cease-fire understandings because Israeli towns were not attacked. Should they be, "we will know what to do," General Barak said.

Despite Israel's initial low-key response, the high casualty came as a shock to many people here and produced calls for retaliation, within the government as well as generally.

"I do not think we can sit quietly in the face of this murderous act," said Housing Minister Binjamin Ben-Eliezer, a former general. Another official said that "nothing in the cease-fire says that our troops have to be sitting ducks — that is intolerable, and we will protect our soldiers."

It seems that in deciding what military action to take, Mr. Rabin will have to weigh a combination of domestic political demands, military realities and the likely effects of all-out retaliation on the troubled peace negotiations, which are scheduled to resume in Washington on Aug. 31 after considerable massaging of all parties by the United States.

The first bombing occurred before dawn, tearing through a patrol of Israeli soldiers who apparently were closely bunched and especially vulnerable when they touched off the explosive

See RAIDS, Page 4

'Waiting for Godot,' and Peace, in Bosnia

By John Pomfret
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — Call it waiting for Clinton or waiting for air strikes, or for freedom.

Call it waiting for water, electricity or gas. Call it waiting for gunshots, sniper fire and the point between the swish of the tank shell and its blast. Call it waiting for peace — or waiting for death — in this crumbling city.

Susan Sontag, the American writer and director, looked a bit guilty shuffling aging bread rolls into her army cotton shoulder bag. She had already put about 15 into the bag and was reaching for more into the dining room of the Holiday Inn, her home for the last five weeks. "This is morning duty," she said with a wry smile. "It's fuel for my actors. I mean, usually actors stand in place when you direct them. Here they just lie down on the stage. This war has worn them out." Miss Sontag then changed the subject. "Look," she said, "it was

See WAITING, Page 4

See IRAQ, Page 4

Kiosk

Leukemia Added to Smokers' Risks

ATLANTA (Reuters) — U.S. medical researchers have added leukemia to the list of diseases caused by smoking, a U.S. health agency said Thursday.

The U.S. Office on Smoking and Health, part of the Centers for Disease Control and Prevention, released a report linking smoking to a form of the blood disorder myeloid leukemia, a cancer of the bone marrow that causes an uncontrolled proliferation of white blood cells.

"Since the causes of leukemia are largely unknown," the report read, "this would make smoking the leading known cause of leukemia." The risk of developing myeloid leukemia is 50 percent greater for smokers than for nonsmokers, it added.

Dow Jones	Up 7.27	Trib Index	Down 1.23%
	3,812.13		107.84

The Dollar	Three days close	previous close
New York	1.6874	1.68
DM	1.5055	1.5175
Pound	105.765	101.66
Yen	5.8828	5.90

Business/Finance
José Ignacio López of VW says the real enemy is the Japanese. Page 11.

A Quiet Biography of a Paramount Man

By Nicholas D. Kristof
New York Times Service

BEIJING — It is not quite a recipe for a typical best-seller; a dating biography of an old man by his daughter, with no sex, scandal or gore.

Still, since the old man is Deng Xiaoping, the world's most powerful 88-year-old, who almost single-handedly keeps the expression "paramount leader" alive, the biography is causing a sensation even before it is published.

Official Chinese newspapers are publishing long excerpts from the book, which is to be distributed beginning Sept. 10. Translators are at work preparing English, Japanese and Korean editions.

Deng Rong, 43, the book's author and Mr. Deng's youngest daughter, makes clear that her aim is not to write a tell-all unauthorized bio-

graphy but rather something closer to a Communist hagiography.

"The reason I want to write about my father is that I respect my father," she explains in an author's note.

Despite the lack of juicy disclosures, the new biography fills in many gaps in the public knowledge of the life of Mr. Deng, who turns 89 on Sunday. For example, the excerpts in the newspapers have included rare photographs of Mr. Deng's wife, Zhu Lin, his third.

In the past, the government has always been extremely reluctant to release information about the personal lives of leaders. Even their dates of birth and the names of their family members were normally supposed to be secret.

A Politburo member, Li Ruihan, once cited a Chinese expression to explain this shyness: "People fear fame the way a pig fears being fattened for slaughter."

"In the past, there were some books like this, such as the book about Stalin that his daughter wrote," said Zhou Zhixing, the book's editor at the Communist Party Central Literature Publishing House. "But she was critical of Stalin. So from this perspective, this book is a breakthrough."

"This isn't the way children ordinarily write about their parents," Mr. Zhou added. "This places Deng Xiaoping in a historical context. It places him in China's revolutionary history."

Mr. Zhou declined to say how many copies of the book would be printed. He did say that Miss Deng was writing the second volume of what will apparently be a two-volume work.

More is already known of Mr. Deng than of See DENG, Page 4

سكنا من الله صل

Vatican Sees an 'Ethical' Opening With Clinton Team

By Alan Cowell
New York Times Service

ROME — Since Pope John Paul II's recent visit to the United States, the Vatican senses an opportunity to forge a new relationship with the Clinton administration that will enable it to exert a "moral authority" in world affairs, officials in the papal entourage say.

"Now that there is no longer an ideological battle, what dimensions are there in world affairs apart from the political and the economic?" asked an official who asked that he not be named. "There's the ethical dimension, and that's where the Vatican comes in."

It remains unclear whether the relationship being sought would resemble that of the early 1980s, when the Pope reportedly collaborated closely with the Reagan administration in the effort to undermine communism in Poland, the Pope's birthplace. During his four-day stay last week in Denver, the

Pope surprised White House officials by publicly opposing the administration's support of a woman's right to an abortion. But the encounter between the Pope and President Bill Clinton, their first, also enabled them to discuss issues ranging from the Bosnian war to the Middle East.

The Pope also left little doubt about his concerns over violence in American cities and what he depicted as a broader moral corrosion in U.S. society caused by the decline of absolute moral values.

"President Clinton asked a lot of questions about the Pope's views," one official said, and the meeting left papal aides with the impression that the administration would welcome a move by the Vatican to bring its "moral authority" to bear in pursuing common goals.

"Both sides are pretty keen on a new relationship," said a U.S. official.

The upbeat tone marked a shift away from the strains caused by the Vatican's criticism of the Bush administration's policies in the 1991 Gulf War and

the Clinton administration's actions in Somalia. It also reflected the Pope's desire for new international political arrangements following the Cold War. When he met Mr. Clinton last week, he spoke of the "privileged position" of the United States in world affairs and urged the creation of "more effective structures for maintaining peace and promoting justice."

While the United States and the Vatican share broadly similar views on some issues, especially the need for peace in Bosnia, Somalia and the Middle East, the mechanics of a new cooperation are far from clear.

Vatican officials made clear that the Pope was not looking for a "seat at the table" in any peace negotiations under way, but instead saw his role as a moral voice that might reinforce arguments for peace in a more general way.

While the idea may have some appeal among Vatican officials worried by the unchallenged dom-

inance of the United States in world affairs after the Cold War, diplomats familiar with church matters said the Vatican faced restraints in its own diplomacy.

In the Middle East, where the Pope is concerned to protect Christians and their places of worship, talks on establishing full diplomatic relations between the Vatican and Israel are progressing slowly.

And the Vatican's influence in the Balkans and the former Soviet Union is limited by the religious undercurrents of conflicts pitting Orthodox Christians, like the Serbs, against Muslims at a time when the Roman Catholic Church still has deep and unresolved differences with Orthodox leaders.

In broader terms, the idea of a new diplomacy is complicated by the fact that since the end of the Cold War, religion has changed its role in many places, ceasing to be a rallying point against communism and becoming a marker of identity in ethnic conflicts from the Caucasus to the Balkans.

WORLD BRIEFS

Gadhafi Calls for Talks on 2 Suspects

GLASGOW (Reuters) — The Libyan leader, Moammar Gadhafi, has called for negotiations over a trial for two Libyans suspected of the bomb attack on Pan American World Airways jumbo jet over Scotland in December 1988, in which 270 people were killed.

"Sanctions will never lead to a trial," Colonel Gadhafi said in a television interview broadcast here on Thursday. "And war will never lead to a trial."

"But through negotiations and understanding they could appear before a court," he added in the interview earlier this week with a Scottish television reporter in Tripoli. The United States, Britain and France said they would seek a UN Security Council resolution imposing stiffer sanctions in oil-related, financial and technological areas unless Libya handed over the two men for trial by Oct. 1.

Blackouts Stir Discontent in Havana

HAVANA (Reuters) — Lengthy nighttime blackouts caused by fuel shortages at power plants have provoked vandalism and outbreaks of popular anger directed against the government, foreign diplomats and Havana residents said Thursday.

Those interviewed reported numerous apparently spontaneous and unrelated incidents in which individuals or groups had damaged state and private property and shouted anti-government slogans in many neighborhoods of the Cuban capital over the last few weeks.

Cuba's tightly controlled state media have maintained silence about the incidents. Speaking privately, government officials acknowledged discontent over the current economic crisis, although they sought to play down its political significance. But tension and frustration over daily hardships have surfaced among many of Havana's 2 million inhabitants. "People are very aggressive at the moment," a resident said.

Delors Confirms He Will Leave EC

PARIS (Reuters) — The president of the EC Commission, Jacques Delors, confirmed Thursday that he would step down as the Community's top executive next year, but declined to say if he would run for the French presidency.

Mr. Delors has stirred resistance to his relentless campaign to set the Community on the road to a single market and a single currency.

Governments among the 12 states have fiercely opposed giving too much power to the commission, the Community's executive arm. Mr. Delors took over at the commission in 1985 and would complete his fifth two-year term at the end of 1994.

Suit in U.S. Seeks to Bar Demjanjuk

NEW YORK (Reuters) — A group of Holocaust survivors and a U.S. congressman filed a law suit Thursday in an effort to stop John Demjanjuk, acquitted by Israel of charges he was a sadistic Nazi death-camp guard, from re-entering the United States. Mr. Demjanjuk was stripped of U.S. citizenship in 1981, extradited to Israel and sentenced to death.

The Israel Supreme Court ruled Wednesday against trying Mr. Demjanjuk on other charges, but it is hearing appeals. It is to decide Mr. Demjanjuk's fate Friday. If he is freed, he is expected to try to return at once to his home in Cleveland, Ohio.

Representative Jerrold Nadler, a Democrat of New York, and a group called Holocaust Survivors and Friends in Pursuit of Justice sued the Justice Department for an order barring Attorney General Janet Reno from allowing Mr. Demjanjuk back into the United States.

Azerbaijan Says Foes Took Key City

MOSCOW (Reuters) — Azerbaijan said Thursday that Armenian troops had captured the key southern town of Ceybrayil and were driving toward the Iranian border.

The fall of Ceybrayil was the latest in a series of military disasters to hit Azerbaijan since Armenians began a major offensive earlier this year to strengthen their hold on the disputed enclave of Nagorno-Karabakh.

The development will alarm Tehran, which fears a refugee flood and has twice expressed concern in recent days at the scale of the fighting. The Iranian foreign minister, Ali Akbar Velayati, denounced the Armenian attacks on Azerbaijan cities and said Tehran would do all it could to mediate in the war.

Taiwan Panel Has Some Fresh Faces

TAIPEI (Reuters) — The governing Kuomintang elected a 210-member Central Committee on Thursday, replacing many old-guard conservatives with younger, more progressive politicians.

The new policy-making body was chosen by delegates to the party's 14th congress from 369 candidates — 210 nominated by President Lee Teng-hui, the newly re-elected party chief, and 159 by the delegates.

The bulk of those chosen are members of parliament and government officials. The more powerful Central Standing Committee, whose 31 members are drawn from the Central Committee, will be selected next week. On Wednesday the party announced that eight members of the standing committee would be retired to make room for younger members.

Bosnian President Holds Out for More Territory

By Peter Maass
Washington Post Service

GENEVA — The Bosnian president, Alija Izetbegovic, apparently making little headway at the negotiating table, publicly insisted Thursday that Serbian and Croatian rebels hand back territories now devoid of Muslims, and he voiced pessimism over the prospects for a speedy accord.

Mr. Izetbegovic said that the rival factions "should not ask that Muslim territories be included in their republics." Speaking at a press conference, he added, "I don't think we are asking for too much."

Mr. Izetbegovic outlined a set of eight conditions, including the lifting of the sieges of Sarajevo and Mostar, that he said would determine the fate of talks on partitioning Bosnia-Herzegovina.

"I am not an optimist," the Bosnian Muslim leader concluded, referring to the prospects of reaching an accord.

In contrast, the Serbian president, Slobodan Milosevic, said on Thursday that Bosnia's warring parties were within reach of a final settlement of their 16-month war, Reuters reported from Geneva.

"I believe that we have all the elements we need for a final settlement," Mr. Milosevic said after late-night talks with mediators and his Bosnian Serbian protégé, Radovan Karadzic, on maps of an ethnically divided Bosnia. "But we'll see what happens tomorrow. Tomorrow is a critical day."

Mr. Izetbegovic also said that he was not empowered to sign any accord in Geneva, because the Bosnian parliament would have the final say. Many parliament members represent areas that are slated to fall under Serbian or Croatian control.

UN officials said privately that they viewed Mr. Izetbegovic's demands as desperate eleven-hour pleas, and they expressed cautious hope for nailing down an accord by the weekend.

With the threat of U.S.-led air strikes on the Serbs virtually forgotten here, and with the Bosnian Army stretched to the limit, many officials have expressed the view that Mr. Izetbegovic has little choice but to accept the deal on offer from the Serbs and Croats.

Mr. Milosevic and President Franjo Tudjman of Croatia attended the talks Thursday at the invitation of the international mediators Lord Owen and Thorvald Stoltenberg. The mediators hoped that they would use their influence with the Bosnian Serbs and Croats to sweeten the deal a bit for Mr. Izetbegovic.

But sources at the conference said that the leader of the Bosnian Serbs, Radovan Karadzic, was not willing to hand back the cities in eastern Bosnia that were dominated by Muslims before the war — such as Foca, Visegrad, Zvornik and Bijeljina — from which Muslims have been removed by "ethnic cleansing."

According to conference sources, the "compromise" being offered to Mr. Izetbegovic by the Serbs, and condoned by the mediators, is to accept a few tracts of land that will join together the three Muslim enclaves in eastern Bosnia — the Bosnian Serbs and Croats — and connect them to Sarajevo.



A young Bosnian chatting on Thursday in central Sarajevo with a French soldier whose battalion is part of the United Nations force.

After 2 Months, Mostar Gets UN Convoy

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina — A United Nations aid convoy reached Bosnia's battered second city, Mostar, on Thursday for the first time in more than two months.

Relief authorities said the health situation in Mostar, an ethnically mixed city of 120,000, was "very alarming." Medical supplies, particularly blood for transfusions, are scarce.

UN relief workers delivered medicine to the main hospital in the Croatian-held part of Mostar. UN peacekeepers, meanwhile,

pressed efforts to get the remaining Serbian troops off a strategic mountain overlooking Sarajevo, which would remove a potential obstacle to peace talks in Geneva.

A spokesman for the UN force, Lieutenant Commander Barry Frewer, said the United Nations was concerned that about 100 Serbian soldiers remained on Mount Igman, which they had agreed to leave on Saturday. But he added that the situation was calm and stable because the Serbs were equipped only with small arms and were relaxed and ready to withdraw.

In New York, a UN spokesman said everything was in place for NATO air strikes against Serbian forces in Bosnia, should Secretary-General Boutros Boutros Ghali give the go-ahead.

But a new outburst on Thursday by the UN commander in Bosnia, Lieutenant General Francis Briquemont, against NATO's plans jolted the unified image that the alliance hopes will influence the Bosnian Serbs.

For the second time this week, and in the face of U.S. criticism of his earlier comments, General Briquemont dissociated himself

Germans May Permit Terrorists a Jail Meeting

By Stephen Kinzer
New York Times Service

BERLIN — Seeking to avoid a new wave of leftist terrorism, German officials may allow imprisoned terrorists to meet in the hope that they will urge their comrades outside to refrain from violence.

Politicians and prosecutors are hotly debating the issue. Some are strongly opposed to giving the convicted terrorists any concessions, but others say the idea could save lives.

After a bungled police ambush in the eastern town of Bad Kleinen two months ago, in which a policeman killed a captured Red Army Faction member, apparently in cold blood, the far-left group issued a statement warning that it would soon begin a new campaign.

Many law enforcement officials took the warning seriously.

The Red Army Faction has shown itself able to kill prominent Germans with virtual impunity, although it has not done so since 1991.

Against this background, some officials have welcomed the request made by prisoners from the Red Army Faction. According to press reports, the prisoners want to be brought together for about two weeks.

They say they want to hold discussions that could lead them to issue a statement calling for an end to attacks.

Eighteen members of the Red Army Faction are being held in eight prisons. Most are serving long terms for murder and other serious crimes.

Last year, the government suggested it might allow their early release if the group halted its 23-year-old terror campaign.

"In the wake of the Bad Kleinen, it is urgent to do everything we can to prevent an escalation by the Red Army Faction," said Peter Caesar, justice minister in the state of Rhineland-Palatinate, where two terrorists are being held. "Every initiative should be considered."

Justice ministers in several other states have also endorsed the Red Army Faction's proposal.

But other officials have urged that the Red Army Faction members not be allowed to meet. They say allowing a gathering would amount to granting concessions to some of Germany's most violent killers.

"It is both politically and legally unacceptable to buy something from criminals by fulfilling conditions that they lay down," said Rupert Scholz, a leading member of parliament.

Newspapers have also joined the debate. Among those endorsing the Red Army Faction's proposal was Kölnische Rundschau, which said that might be "the only way to break out of the spiral of violence and counter-violence."

Others denounced the idea.

"After the clear failings of security officers in Bad Kleinen, there have been widespread calls to limit the damage," Flensburg's Tageblatt said. "But the government does not gain any credibility by kneeling in front of imprisoned members of the Red Army Faction in order to prevent a reaction."

Political fallout from the Bad Kleinen assault, in which one police officer was killed and another seriously wounded, is continuing in Bonn. It has already cost Germany's interior minister and the chief federal prosecutor their jobs.

On Wednesday the government presented parliament with a report on the assault. It said the police officers in the elite GSG-9 command unit had made 17 serious errors in planning and execution.

According to the report, the unit conducted the assault without consulting other agencies pursuing the Red Army Faction. It also failed to provide bulletproof vests, did not have emergency medical teams on call and used radio frequencies on congested bands.

The report asserted that officials misjudged evidence in the affair and gave misleading accounts of what happened.

TRAVEL UPDATE

Riviera Waters 'Safe' After Mishap

MARSEILLE (Reuters) — The French authorities declared beaches pollution-free after a collision between a French nuclear submarine and a supertanker.

"There is no threat to beaches at the moment," Lieutenant Commander Michel Leterard of the French Navy said. The accident occurred late Tuesday as the 2,385-ton nuclear-propelled Rubis submarine surfaced off its Toulon base. Shortly before its periscope broke water, the submarine collided with the Lyria, a French-owned 277,734-ton tanker on its way to nearby Fos-sur-Mer. The collision ripped a 40-centimeter (16-inch) gash on the supertanker's hull, causing two oil spills.

The weakened tapestry "The Lady and the Unicorn" at the Cluny museum in Paris will be rehung in a room with special lighting that combines optical-fiber technology and lenses, replacing the existing conventional overhead lighting. The new lighting will preserve the fragile fabric of the tapestry, woven between 1489 and 1500. (AFP)

Romanian locomotive engineers have ended their crippling one-week pay strike after the government threatened to sack the strikers and send security forces into stations. (Reuters)

Germany will not compensate German tourists stranded abroad by travel agents who have gone broke, Justice Minister Sabine Leutenscheider-Schwarzenberger said Thursday. Thousands of German tourists had their return flights from America canceled Wednesday because a German agency, Marlo Reisen, had not paid up. The minister urged tourists to check the agencies carefully before booking. (Reuters)

The state-owned airline of Trinidad and Tobago, BWIA International, will introduce a weekly service to Zurich starting Nov. 1. (AFP)

South Africa has dropped visa requirements for citizens of the United States, Canada, European Community nations, Japan and several other countries, the state television reported Thursday. (AFP)

Ex-Contras Take Group of Hostages

Compiled by Our Staff From Dispatches

MANAGUA — A group of former contra rebels took legislators, soldiers and members of a human rights commission hostage in northern Nicaragua on Thursday, the army said.

The hostage-takers, identified as members of a group called the Northern Front 3-80, were demanding the resignations of General Humberto Ortega Saavedra, head of the army, and Antonio La-cayo, chief of staff for President Violeta Barrios de Chamorro, said Lieutenant Milton Sandoval, an army spokesman.

"We have our troops fresh and ready to go for any military action," he said. "We are awaiting word from the government."

But the guerrillas have threatened to kill their captives if troops are sent in, he said.

The former contras, who fought against the Sandinista government in the 1980s, have also asked for the mediation of Cardinal Miguel

In Faded Budapest, Growing Debate Over Face-Lift

By Jane Perlez
New York Times Service

BUDAPEST — Nearly four years after the Communist system collapsed, a sharp debate is developing in this grand Hungarian city of broad boulevards and once opulent buildings — how should the still grand but faded metropolis astride the Danube be restored and renewed.

Urban gentrification has come to

the fore here as city leaders and citizens alike confront decades of neglect of an eclectic architectural heritage that ranges from a graceful Neo-Gothic parliament building to fanciful Art Nouveau bathhouses.

Pushing the concerns is Budapest's position, with a population of more than 2 million, as a commercial headquarters for \$5 billion of post-Communist foreign investment in Hungary, the largest in any country in the region.

Architects and town planners say they feel an added responsibility because, in the wealthiest city in Eastern Europe, what happens here is likely to be an example for Prague and Warsaw.

Some rules for urban renewal have been set. New construction is welcome, but not skyscrapers.

Some priorities are being established, particularly to do something about the chaotic traffic and pollution caused by the greatest concentration of cars in Eastern Europe.

But little has been done to resolve the conflict between a chronic housing shortage that has left many city residents crammed into run-down, crime-ridden apartment buildings and the desires of developers to build or renovate for more lucrative commercial use.

From his spacious office with modern paintings and classic Hungarian chairs, the city's deputy mayor for urban development, Istvan Schneller, struggles with these issues every day.

"It is very hard to preserve the city against the investors," said Mr. Schneller, who was an architect be-

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German Raid on Rightists

DUSSELDORF — The police raided the homes of 17 rightist extremists Thursday, a police spokesman said. Members of the gang are suspected in the desecration of a Jewish cemetery and in an attack on a foreign asylum-seeker.

6 Killed at India Dam Site

NEW DELHI — At least six construction workers at the site of a hydroelectric dam in northern India were killed when explosives used to blast tunnels detonated, news agencies reported Thursday.

STATESIDE / HANGING OUT

Vacation Isle of the Famous Draws One More

By Mary Ann French

WASHINGTON Post Service
MARTHA'S VINEYARD, Massachusetts — There are no limos here, but plenty of celebrities. No deadlines, but loads of big-name journalists. Academic geniuses reading romance novels on porch swings. More policymakers than one could easily find on any August day in Washington. And yet, when they leave this island to cross the five miles of water separating it from the mainland, they say they're "going to America."
 This is where Bill Clinton and his family arrived Thursday for 11 days of vacation. His last visit, as far as anyone can recall, was for the wedding of Lani Guinier, the lawyer whose nomination to a Justice Department job he so badly bungled. The wedding was another August, in 1986. Ms. Guinier is on the island now, biking and beaching with her family, teaching her son, 9, to swim.
 "There is an intimacy here," Ms. Guinier

said. "People trust each other. There is on some level a sense of mistrust of Washington and national politics. That's not my view."
 And what of her? Of the irony of the president's seeming to follow her as the controversy over her failed nomination followed him?
 "I think the island is big enough for both of us," she said of the 120 square miles (about 310 square kilometers) of grit deposited off the coast of Cape Cod by a glacier.
 It's a place where the famous come to be anonymous. They can choose to stay home alone or socialize informally. They can work undisturbed or go to the supermarket without being mobbed. Vineyarders are too cool to care.
 "I wouldn't be here if I didn't have privacy," says William Styron, the novelist. "I don't allow any more intrusion so my life than I desire." He has been coming to the Vineyard for 30 years and lives in a house

with a private beach that's well hidden from day-trippers.
 "When I first came here it certainly was not nearly as well known as it is now," he said. "It was very off the beaten track. Very few people of a certain sort even knew it existed. It's only in the last 10 to 15 years it's become well known."
 More than a few Vineyarders are complaining about the motorcades on the narrow streets and winding roads. And they grouse about the growing rumor that Mr. Clinton is searching for a permanent summer home. But they don't mean it, said a prominent writer who asked not to be identified.
 "I think Vineyard people are delighted the president is coming, but they just can't say it," the writer said. "Part of being an islander is being blasé about nonislanders in any way, shape or form."
 The estate of Robert S. McNamara, where

Mr. Clinton is staying, is out toward Gay Head and down a dirt road.
 But you won't know it unless you know it. The seaside complex of 15 or so houses is in a section called Oyster-Watcha Midlands. Thirteen people, including Katharine Graham, chairman of The Washington Post Co., bought the tract of 460 acres 30 years ago for \$2.3 million. Mr. McNamara's house is simple — two stories of gray cedar shingles surrounded by sassafras and bayberry. It's called Sandpiper Point.
 The president's people are pretty mum on his plans. He supposedly booked time at the Farm Neck Golf Club every day.
 Jacqueline Onassis and Mrs. Graham are both expected to entertain. And girls the same age as Chelsea have published letters in the local paper inviting her to join them trawling and swimming and warning her about ticks.



President Clinton boarding Air Force One in Springdale, Arkansas, on his way to Massachusetts.

Internal Revenue Service Flunks Audit Big-Time

By Stephen Barr

WASHINGTON Post Service
WASHINGTON — The Internal Revenue Service, which has made many an American anxious over an audit, recently underwent a comprehensive audit of its own — its first. Among the findings:
 • A video display terminal costing \$752 was valued in IRS inventory records at \$5.6 million.
 • \$36,000 was paid for a maintenance contract for a minicomputer that had been idle for three years.
 • Thirty-two duplicate payments and overpayments worth \$500,000 were found in a review of 280 payments to vendors, and 112 payments totaling \$17.2 million lacked complete supporting documentation.
 The IRS examples are but a small slice of one of the federal government's most

serious problems: financial books that are out of whack, perhaps by tens of billions of dollars.
 Unlike America's major companies or even the keeper of the family checkbook, most federal agencies have trouble tracking where money is being spent and cannot produce error-free financial statements, according to the General Accounting Office.
 Previous audits by the office found more than \$200 billion in accounting errors by the army and air force, more than \$500 million worth of errors in financial statements of the National Aeronautics and Space Administration and record-keeping troubles at the State Department and Department of Veterans Affairs.
 The accounting office report on the problems at the IRS was discussed at a

Senate Governmental Affairs Committee hearing earlier this month.
 The committee chairman, Senator John Glenn, Democrat of Ohio, said there should be no double standard when it comes to financial management. "Americans should not put up with an IRS that makes demands on them which it cannot meet itself," he said.
 The committee's ranking Republican, William V. Roth Jr. of Delaware, said: "It never fails to amaze me. If private industry kept its accounts like we do in government, they'd be in jail."
 As with many of the bureaucracy's problems, there seems to be no single answer to why many financial records are unreliable.
 Charles A. Bowsher, the comptroller general and head of the accounting office, in testimony before Mr. Glenn's committee,

urged President Bill Clinton to make financial management a high priority.
 The internal revenue commissioner, Margaret Milner Richardson, told the committee that the IRS was undergoing a major reorganization that included consolidating financial management programs under the agency's chief financial officer.
 IRS computers are outdated, and she testified that the agency's tax systems modernization project should help provide better information about revenues collected, taxes owed and the status of seized assets. Interim steps to improve IRS accounting and budgeting systems will be made while the project is implemented. The project is scheduled for completion in the next decade at an estimated cost of \$23 billion, accounting office figures show.

★ POLITICAL NOTES ★

Millions Reached Out to Weigh In on Budget

WASHINGTON — The phones are quiet on Capitol Hill now, but tallies show that the Senate may have heard more from America in the week leading up to the passage of President Bill Clinton's budget than ever before.
 More than 3.6 million calls were routed through the Senate switchboard from Monday, Aug. 2, to Friday, Aug. 6, according to Patty McNally, the Senate sergeant-at-arms. On Aug. 4 and 5, the final days of the president's "do or die" budget debate, nearly a million calls came through each day.
 Dialing has reached such heights before, but for briefer peaks. For example, 7 million calls were received one day during the Senate Judiciary Committee hearings on the nomination of Judge Clarence Thomas to the Supreme Court in October 1991.
 The rate of calls rose sharply after Mr. Clinton and Bob Dole of Kansas, the Senate Republican leader, spoke on opposite sides of the issue on Aug. 3 and urged Americans to call their lawmakers. On Aug. 2, 190,042 calls went through the Senate switchboard, Ms. McNally said; the next day, that figure jumped to 636,876; and on Aug. 4 it reached the busiest level of the week, 985,349.
 Moreover, many more calls were made but did not get through, according to Herb Linsen, a spokesman for AT&T. From Aug. 3 through the evening of Aug. 6, when the president's economic plan was approved with Vice President Al Gore casting the tie-breaking vote, more than 5 million calls to Congress were initiated, Mr. Linsen said. (NYT)

The White House Renovation Tab Climbs

WASHINGTON — The office of Hillary Rodham Clinton has acknowledged that costs for renovating the White House family quarters have escalated to \$400,000 but has not disclosed who is donating money to pay the bills.
 "We will release the information about the contributions when the renovations are complete along with a report about what was done," said Lisa Caputo, press secretary to the first lady.
 Ms. Caputo would not speculate on a completion date, but she described the project as "well along the way."
 According to the White House, no public funds are slated to be used.
 Renovation of the two upper floors has been beset by delays, unplanned overtime and escalating costs, according to White House officials and other sources.
 Until last week, the White House had maintained silence on the work in progress, which is being directed by Kaki Hockersmith, the Clintons' interior designer from Little Rock, Arkansas. But rising costs were acknowledged after disclosure that Vincent W. Foster Jr., a deputy White House counsel, had made reference to Ms. Hockersmith and the renovation in a note written shortly before his suicide last month.
 In the note, which was discovered in Mr. Foster's briefcase, he worried that "the Ushers Office plotted to have excessive costs incurred, taking advantage of Kaki and H.R.C." The initials are those of the first lady. The Ushers Office approves all bills relating to household expenses.
 About the concerns expressed in the note, Ms. Caputo said: "We have no reason to believe there is anything wrong. We can only think that Vince was unclear about the costs."
 Figures for the cost of renovating the family quarters and the Oval Office have swelled. In March they were estimated at \$250,000; in June, at \$377,000; and currently, at \$400,000, according to Ms. Caputo. She added that the figures did not include the value of furnishings, fabrics and wallpaper donated by manufacturers. (WP)

Quote / Unquote

Dorothy M. Craig of Midland, Texas, who presides over an endowment fund that raises money for White House redecoration, acknowledging that President George Bush and his wife, Barbara, spent "next to nothing" on improvements: "My dear friends George and Bar are thrifty New Englanders." (WP)

Away From Politics

• Military investigators are looking into allegations that Marines from Camp Pendleton in California appeared in pornographic videos and magazines. Police officials said that at least two dozen and perhaps as many as 200 Marines were paid to pose and have sex for the mail-order material, which was advertised in sexually graphic homosexual magazines.
 • A cruise ship sustained heavy damage, took on water and apparently leaked fuel when it struck a rock in the middle of Glacier Bay National Park in Alaska. All 134 passengers on board the ship, the Yorktown Clipper, were safely evacuated within hours of the accident, which occurred in the bay about 45 miles west of Juneau.
 • A federal policy to exact fees from universities that operate nuclear reactors threatens to put some science programs out of business, some academic researchers say. The Nuclear Regulatory Commission plans to charge \$62,100 for an annual operating permit, which used to be free.
 • Scores on standardized tests for college-bound high school students rose slightly for the second straight year nationwide. The College Board, which administers the Scholastic Assessment Tests, or SATs, also said that a downward trend in the scores of virtually all ethnic groups had halted.
 • Rodney G. King, whose beating at the hands of Los Angeles police officers resulted in two trials of the officers involved, has joined the National Association for the Advancement of Colored People and will work with the group in Los Angeles neighborhoods. (LAT, AP, AFP)

Aspin Calls For Probe Of SDI Test

By Tim Weiner

WASHINGTON Post Service
WASHINGTON — Secretary of Defense Les Aspin has ordered an investigation into reports that a test of the "star wars" missile defense program was rigged in 1984 and the results were manipulated.
 But the defense secretary at the time, Caspar W. Weinberger, and the officer who ran the test for the Strategic Defense Initiative program denied the accusations.
 Mr. Aspin said the allegations, made by four former Reagan administration officials familiar with the missile defense program, raised serious questions.
 The accusations involve charges that a Reagan administration program to feed disinformation about the program to the Soviet Union had overstepped its bounds and led to the manipulation of the key 1984 experiment.
 According to the officials, who asked not to be identified, electronic beacons were placed on a target missile and an interceptor missile to ensure that the interceptor could find the target.
 In interviews Wednesday, the officer in charge of the 1984 experiment, Eugene Fox, a retired major general who commanded the Army's Ballistic Missile Defense Systems Command, said the beacons had been put on the interceptor and target missiles only for reasons of safety and prudence, not to rig the test.
 Without the beacons, he said, there would have been a risk that the interceptor would go astray and miss the opportunity to obtain crucial test results.
 The beacons were also needed to ensure that the interceptor's on-board sensors could detect the general location of the target, but they did not guarantee an interception, he said.
 Mr. Weinberger said he had not authorized an effort aimed at fooling the Soviet Union about SDI.
 "The Soviets were perfectly well aware of most of what we were doing," he said, "and could read most of our data as well as we could read theirs. For that reason, the whole idea of a deception program seems to me quite absurd."
 The investigation announced by Mr. Aspin was prompted in part by a request from Senator David H. Pryor, a Democrat of Arkansas, who has long been critical of the missile defense program.
 In a letter sent and made public Wednesday, he asked the Pentagon to determine whether Congress had been deceived by SDI program managers and whether President Ronald Reagan or his White House staff had known that inaccurate information was given to Congress by military officials or contractors.
 The senator said the Government Accounting Office, the investigative arm of Congress, was already investigating the accusations.

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Herald INTERNATIONAL Tribune

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SDI, a Hoax-Based Defense

The revelation was enough to rouse even the most cynical student of official mendacity...

the interceptor, in effect helping the interceptor to home in on the missile by broadcasting...

Keep Tough Missile Rules

Preventing the spread of the most destructive weapons is one of the hardest exercises in international politics...

space technology and to provide timely warning of its diversion to illicit purposes...

The Sudanese Still Suffer

Against the sort of terrorist Sudan has permitted to train and take haven on its soil...

than a generator of its own terrorism. But Washington gave Sudan plenty of time to back off from Iran...

Other Comment

The Politics of Evacuation

Is the evacuation of Bosnia war wounded a sensible response to human suffering...

Hadzimuratovic—does not mean the action is wrong. Would not the money be better used...

The Clinton Presidency: A Squeak-By Affair

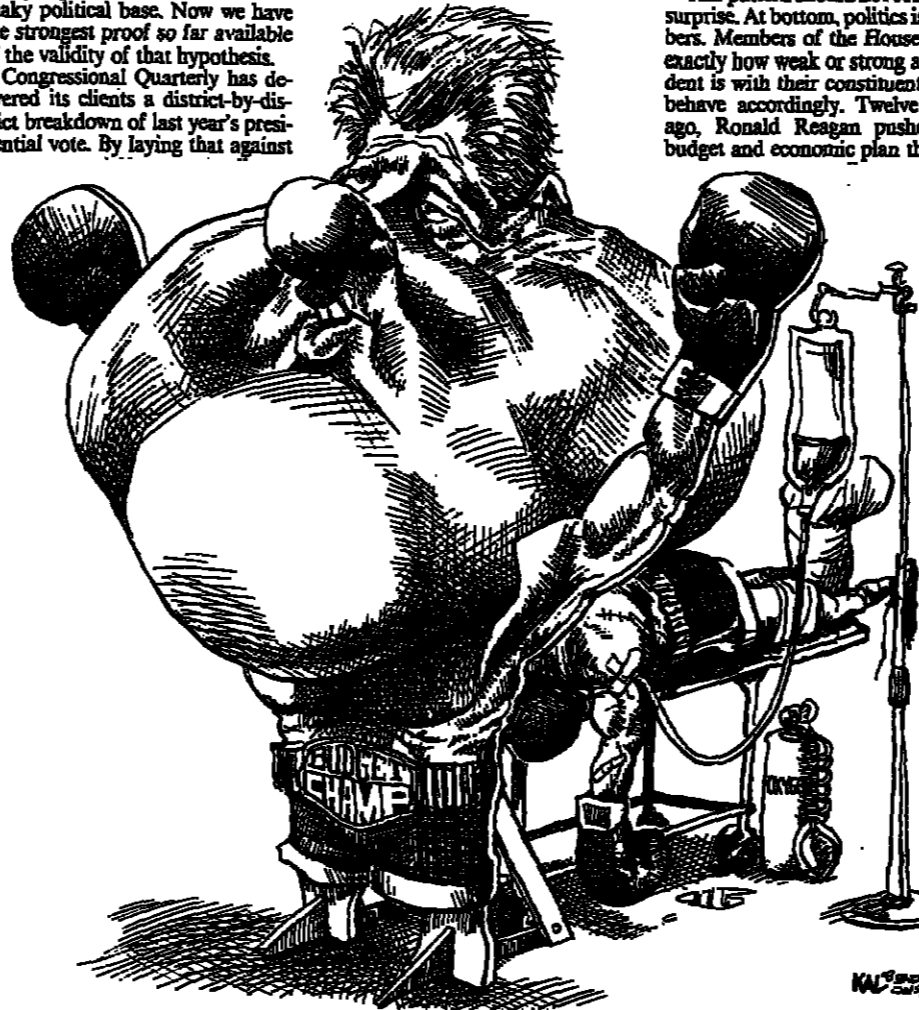
By David S. Broder

WASHINGTON — The problem that has dogged the Clinton administration from its opening days...

the 218-to-216 House roll-call vote earlier this month approving Mr. Clinton's economic plan...

districts. Mr. Clinton finished ahead of Mr. Bush and Mr. Perot...

a Democratic-controlled House because in the 1980 three-way race...



The Washington Post

He Can't Reverse a Revolution That Wasn't One

By Robert J. Sammelson

WASHINGTON — The Reagan Revolution is not and never was. Yet it remains a standard reference point in Washington...

our most powerful institution. Even in 1958, 43 percent of Americans felt that the federal government 'wasted a lot' of money...

change has been reversed. In 1991 defense spending, as a share of GDP, was lower than in Mr. Carter's last year...

What does this imply about the autumn agenda? Health-care reform, depending on how it is structured...

In Algeria and Elsewhere, a War on Liberal Thought

By Flora Lewis

BINI CALAF, Spain — There remains, justifiably, worldwide outrage and continued support for Salmen Rusdide because fanatic Islamists condemned him to death...

are prime obstacles to fanaticism. Since spring, there has been a pattern of killings in Algeria which suggest that Muslim terrorists...

that it harbors Mr. Rusdide. Mr. Ganushi, who would deny liberal guarantees to others, is glad to make use of their benefits for himself...

that it harbors Mr. Rusdide. Mr. Ganushi, who would deny liberal guarantees to others, is glad to make use of their benefits for himself...

To Peace, By Way of Jerusalem

By Milton Viorst

WASHINGTON — By all the rules of bargaining, Jerusalem was supposed to be at the bottom of the agenda of the Arab-Israeli peace talks...

A resolution here could lead to a bigger breakthrough.

has also said Israel will never give up any part of Jerusalem—a pledge that has given the Palestinians more incentive to face the issue now...

But the Palestinians speak the truth in claiming Jerusalem as vital to their identity, too. Not only is it Islam's third holiest city but it has also been the heart of regional Arab culture through the centuries...

International law still considers Jerusalem an international city, under the terms of the UN partition of 1947. Israel annexed West Jerusalem after its war of independence...

Wouldn't Israel be better off without having to rule 100,000 unhappy East Jerusalemites? The Palestinians are taking a risk in challenging the Madrid agenda...

1943: Fortresses Attack LONDON — [From our New York edition:] American Flying Fortresses flew through heavy weather and bitter fighter opposition to attack German airbases at Flushing and Gilze-Rijen, in Holland, yesterday [Aug. 19]...

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Railway Etiquette

PARIS — As stated in the Herald yesterday [Aug. 19], the question whether a person has a right to retain his seat in a railway carriage by depositing there some article belonging to him was raised at the Gare St. Lazare by a retired captain...

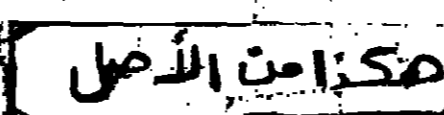
1918: Post, Posthaste

PARIS — Letters from the Eastern States to the French line trenches in seven days! This is not a dream, but a promise from Representative Isaac Siegal...

ders in France. He said, "The principal feature of the new system will be a postal regiment, consisting entirely, except for the commanding officer, of men who have had postal experience in the United States..."

1943: Fortresses Attack LONDON — [From our New York edition:] American Flying Fortresses flew through heavy weather and bitter fighter opposition to attack German airbases at Flushing and Gilze-Rijen, in Holland, yesterday [Aug. 19]...

International Herald Tribune advertisement listing staff members like Katharine Graham, Arthur Ochs Sulzberger, and Richard McLean.



OPINION

The Court's Greatest Hits: History for All to Hear

By William Safire

WASHINGTON — If the Supreme Court gets angry at you, can it take you to court? Yes. In 1906, the court ordered a stay of execution of a black man found guilty of raping a white woman in Tennessee...

Here is a youthful Thurgood Marshall urging school integration against a school board that said it disrupted public order; here is the lawyer Sarah Weddington representing 'Jane Roe,' pressing her case for abortion rights.

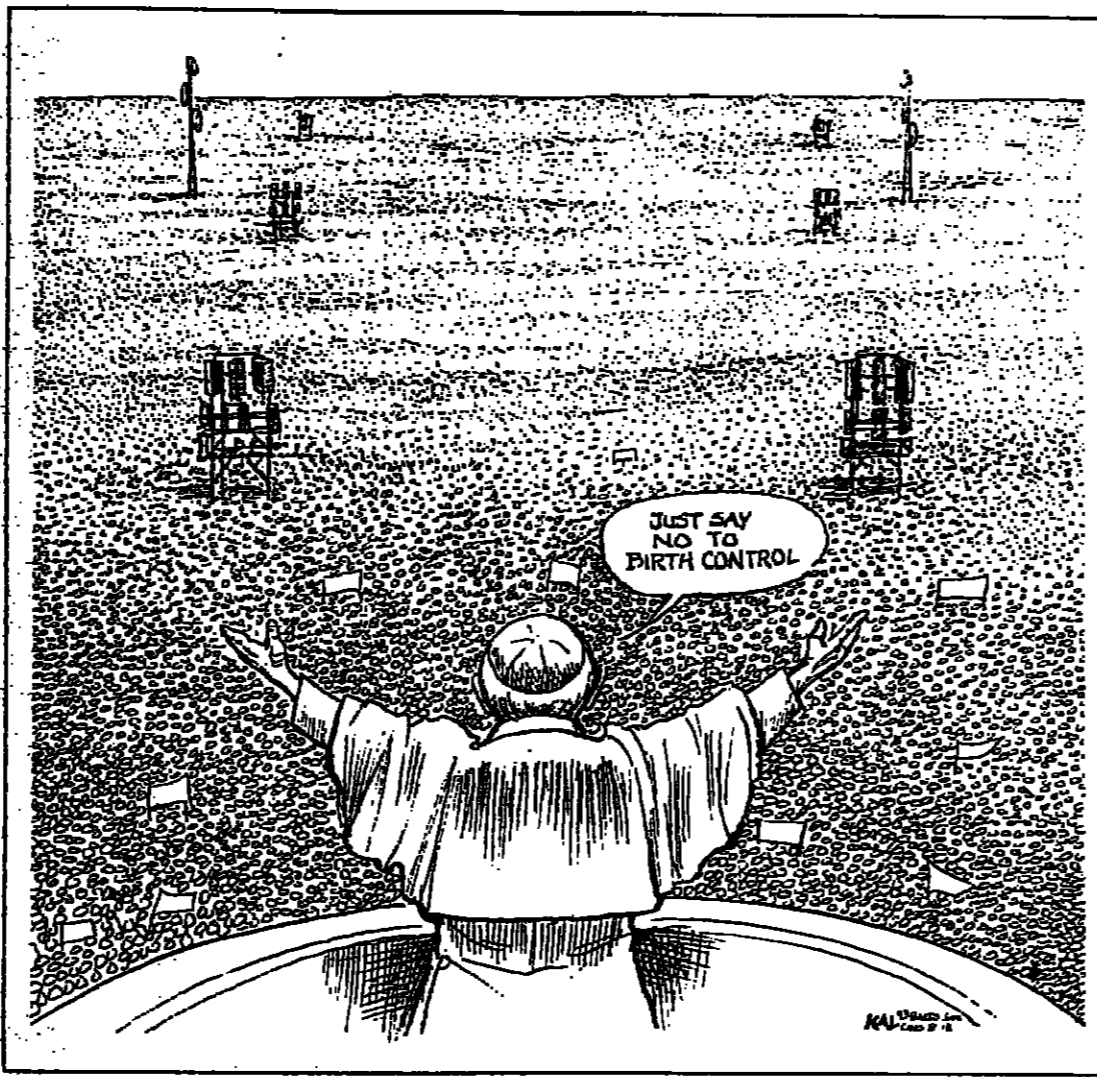
lesser offense: the unauthorized sale of audio tapes of the court's greatest hits. 'May It Please the Court,' a title based on the traditional opening of oral argument, arrived at my office the other day...

being with the approval of, or at the instigation of, Chief Justice William Rehnquist. He issued a statement warning that Mr. Irons had signed an agreement to use the tapes 'for private research and teaching purposes only' and had pledged 'not to reproduce for any purposes any portion of such audiotape.'

This court is touchy about its own privacy, earlier this year it lost a controversy with the libration of Congress on the release of the Thurgood Marshall papers. In this case, as Tony Mauro, a reporter for USA Today and Legal Times pointed out, 'Irons is treating on another of the court's deeply held tenets: its distaste for commercialism.'

'Tapes — yesterday audio, tomorrow video — of open court argument are the public's property, not the personal trusts of the justices. If I want to photograph the Declaration of Independence and sell it on a T-shirt, that's my business, not the National Archives.'

Letters intended for publication should be addressed to the Editor and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.



LETTERS TO THE EDITOR

Beyond the Great Wall

Regarding 'China's Muslims Look to Break Away' (Aug. 16): Congratulations to Nicholas D. Kristof for his effort to reflect the plight of the Uighurs in the so-called Xinjiang Autonomous Region. The Turkic peoples of Xinjiang, unlike the Tibetans, lack a network of exiles abroad. Little reliable information filters out about continuing oppression by China.

Exporting Jobs

Regarding 'Liberalize Trade or Else' (Opinion, Aug. 3): Peter Sutherland, director of the General Agreement on Tariffs and Trade, argues against the view that industrialized countries are losing jobs because...

their export-related industries cannot compete with exports from low-wage countries. His argument is disingenuous. While it may be true that job losses in those industries account for a relatively small percentage of overall unemployment figures, many more jobs are lost when multinational corporations, lured by those same low wages, relocate their production facilities abroad.

Given Mr. Sutherland's position with GATT, his enthusiasm for liberalized trade can well be understood. But criticizing a fictitious problem is hardly an argument in his favor. ALEXANDER ANDERSON, Paris.

The Verdict of History

How can one react except with disgust and dismay to the West's ongoing assistance in abetting Serbia (and to a lesser extent, Croatia) in the partition of a sovereign state recognized by the United Nations? So this is the brave new world heralded by the fall of the Iron Curtain. If nothing is done, every utterance about 'Western values' in any other context will taste of...

nothing but ashes. Politicians should think less about the next election and more about the verdict of history. JEFFREY HAMBURGER, Würzburg, Germany.

Vice or Virtue?

Oliver North, who engineered the sale of weapons to the terrorists who kidnapped American citizens, then transferred the money to a group of murderers in Nicaragua, and lied about it to Congress, is now a hero to many Americans. It seems inevitable that he will be elected to public office someday. Meanwhile, Hollywood celebrities are frantically running around denying any involvement with an alleged madam for fear that their reputations will be ruined forever ('New Young Star in an Old Role: Hollywood Madam,' Aug. 2). Nothing illustrates the moral bankruptcy — even the irrational nature — of society more than the concept that paying someone to make you feel good is a crime but providing guns and money to killers is a virtue. LARRY SHAPIRO, Calgary, Alberta.

From Pear-Shaped Tones To Journalism's Summit

By Benjamin C. Bradlee

WASHINGTON — The first time I laid eyes on Bob Maynard was in the mid-1960s, when the Nieman fellows from Harvard — hotshot journalists in mid-career — came down for a week of Washington. They had asked me to tell them what I was up to at The Washington Post, where I had been managing editor for a couple of years.

Mr. Maynard, who died of cancer Tuesday at age 56, stood out in that crowd, not only because he was black in a profession in which there were damn few blacks, but because he was confrontational, argumentative, mean and skeptical, verging on the obnoxious. Much of my 90 minutes with the Nieman was spent arguing with Mr. Maynard. As I walked back to The Post from the university classroom where we had met, I wondered what the hell it would take to impress him, or even interest him. But there he was sitting in my office when I got back to work. Much to my surprise, he said he thought he might like to work at The Post. He had promised to return to his paper in York, Pennsylvania, for one year after the fellowship, but he wondered if we might be interested in him after that. We sure would be interested and told him so. One year later to the week he was back, and it wasn't long before he was the talk of the town, literally. When Washington erupted in riots after Martin Luther King's assassination, the Post scrambled to cover them. White reporters were in over their heads, to put it gently, trying to cover mob scenes of looting and burning, largely by blacks. Bob Maynard was an instant success, the star performer day after day. He had this incredibly rich theatrical voice, which he himself admired, and, when he started to transmit by car radio, the whole city room would stop to listen. 'The flames are now rising, six, eight, now 15 feet high. The entire store is being engulfed, while looters, mostly children, race in and out of the burning buildings, strangely unaware of the danger. My car is now being surrounded by four gentlemen, all of them apparently hostile. Now there are eight of them, bouncing the car up and down. I shall leave the air momentarily until things settle down.'

MEANWHILE

The pear-shaped tones were instantly recognizable. I felt sure we would lose him to television. When the riots were over he was well on his way up the ladder that would take him to the top: to the national staff at The Washington Post, to assistant managing editor/ombudsman and finally to the editorial page. And that was just the beginning. In the next 20 years he became a recognized leader — first a recognized leader of American journalism. But it all started with those pear-shaped tones. The Washington Post.

King's assassination. The Post scrambled to cover them. White reporters were in over their heads, to put it gently, trying to cover mob scenes of looting and burning, largely by blacks.

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The Children Pay

Regarding the July 20 editorial 'Enforce the Rules on Iraq': As a veteran of 21 years of health and welfare work in the Middle East, I have seldom encountered such tragic scenes as in Iraq. The impact of UN sanctions on child health is almost beyond belief. Sewage-contaminated river systems, devastating waterborne diseases and lack of adequate medical supplies have taken their toll. Prices of food have skyrocketed. The average family has forgotten what a cooked chicken smells like. Even the food of the poor, the dates and lentils, have become unaffordable.

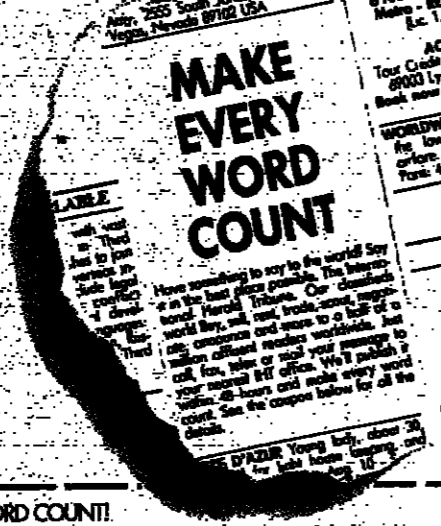
In the hospitals of Iraq there is only one word, maka, meaning none, there is nothing, we have nothing. Doctors work under unbelievable difficulties. There are acute shortages of most medicines and equipment. I saw children suffering from cancer, without a chance of getting treatment until sanctions are lifted. I shall see their faces until the day I die. One father brought his son from Basra to the University Pediatric Hospital in Baghdad. He must have struggled to get the money together for a trip of 650 kilometers (400 miles). The boy had cancer. The hospital director did not have the heart to tell the father that the medicine was unavailable. In the father's presence, he phoned the hospital pharmacist to see if there was medicine still in stock. After receiving a negative reply he phoned three other hospitals. The answer of course was always no. Then the father understood. Maka. Such scenes are repeated over and over, an endless reminder of the horrible truth that children pay for sanctions. MARGARITA SKINNER, Seewen, Switzerland.

kilometers (400 miles). The boy had cancer. The hospital director did not have the heart to tell the father that the medicine was unavailable. In the father's presence, he phoned the hospital pharmacist to see if there was medicine still in stock. After receiving a negative reply he phoned three other hospitals. The answer of course was always no. Then the father understood. Maka. Such scenes are repeated over and over, an endless reminder of the horrible truth that children pay for sanctions.

Failed Finger-Pointing

Regarding 'Dressing Up a Failure as a Victory' (Aug. 11) by David S. Broder: President Bill Clinton has consistently proven himself to be a master politician, yet reporters and pundits continue to belittle his accomplishments. Perhaps they have become so obsessed with their own predictions of his impending failures that they have lost all objectivity. CHARLES MANFREDI, Sorrento, Italy.

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Herald Tribune



Rescue boat in the Grace Darling Museum in Bamburgh, England; inset, portrait of the heroine.

In the Country of Grace Darling

By Michael Balter

BAMBURGH, England — Until recently I had never heard of Grace Darling, which, I have been told, proves only one thing: I am not English. Being an American, I grew up with an entirely different assortment of heroes and heroines. They did not include the fabled young lady from the Farnes Islands, off Britain's wind-tossed Northumberland coast.

But during a recent visit to England I was enlightened by my 15-year-old niece, Tessa, who lives in Newcastle. When Tessa was younger, she went through a Grace Darling phase, as do many English girls.

When Tessa heard that I was planning to spend some time in Northumberland, she urged me to explore the legend of Grace Darling. Although she has since moved on to other interests, it was clear that the glow of admiration for her first heroine had yet to dim. I agreed to look into it.

The facts are as follows: Grace Darling lived in the lighthouse on Longstone Island, one of the Farnes, with her mother and her father, William Darling, who was the lighthouse keeper. On the morning of Sept. 7, 1838, the steamship *Forfarshire*, carrying about 60 passengers and crew, ran into the rocks of nearby Big Harcar Island during a violent storm and broke in two.

Nearly everyone drowned, but when Grace looked out her bedroom window she saw nine people alive on the rocks. Grace and her father launched their small boat and rowed through the treacherous waves to Big Harcar. While Grace held the oars steady, William helped five of the survivors aboard and they then took them back to Longstone. William rowed back with the help of two of the men just rescued to fetch the remaining survivors.

The story of Grace Darling's deed (her father, for some reason, took second billing) spread quickly throughout England. "Is there in the whole field of history," cried *The Times* of London, "one instance of female heroism to compare for one moment with this?"

A song was composed in Grace's honor, William Wordsworth wrote a poem about her (not one of his best), and Queen Victoria sent a reward of £50. Her legend was greatly enhanced four years later when, at the age of 26, she died of tuberculosis.

Jessica Mitford, in her wonderfully wry book, "Grace Had an English Heart," points out that Victoria had just assumed the throne the year before the heroic deed, and

suggests that the virtuous Grace was "the right girl in the right place at the right time to usher in the Victorian Age."

The huge basalt headlands that jut into the often violent North Sea, and which provide the moody perch for many of the famed castles of Northumberland, are intrusions of the great shelf of volcanic rock called the Whin Sill. The Whin Sill runs about 80 miles (130 kilometers) across the north of England. Just before disappearing under the waves, it gives rise to the Farnes Islands. They vary in number from 15 to 28, depending on the height of the tide and who is counting.

As we headed out to sea in an old fishing boat for the two-hour tour of the islands, the cormorants and shags floated above us. As we approached Longstone Island, our captain circled slowly, giving us a good view of the red and white-striped Longstone Light-house, whose beacon first shone in 1826. The island is little more than a broad shelf of flat rock, and as the tide rose almost to the base of the lighthouse itself, I began to appreciate the courage needed to launch a boat under any circumstances, let alone during a storm.

Following the course taken by Grace and her father, our boat chugged around the Blue Caps and Little Harcar to the jagged rocks at the edge of Big Harcar Island, where the survivors from the *Forfarshire* had tumbled.

Back on land, I visited the Grace Darling

National Memorial Museum in Bamburgh, the town where Grace was born and where she died. This modest building is just across the road from her burial place, in the cemetery of St. Aidan's Church. A few steps from the grave, on a rise overlooking the sea and visible to passing ships, is the Grace Darling Memorial, a stone sculpture of the heroine lying under an ornate canopy.

In the museum, seemingly every existent shred of Grace's life has been gathered: her schoolgirl copy book, her mother's tea set, the cape she wore during the rescue, plates and silverware recovered from the wrecked *Forfarshire*. The walls are covered with portraits of Grace, some of which, quite fancifully, depict her alone at the oars, her face resolute and her hair flying as the sea crashes around her. It was all a bit much, although I must admit—as I rounded a corner and suddenly beheld, behind a glass enclosure, the very rowboat in which Grace had performed her deed, the long cars laid reverently over the wooden seats—that the sight was enough to melt all but the most cynical hearts.

AMONG the displays at the Grace Darling Museum was a collection of the many books that have been written about her, including Mitford's recent contribution.

Curiously, however, no copies of "Grace Had an English Heart" were on sale at the museum, nor in the shops of Bamburgh. I later learned why when I spied the volume at the combination gift shop/post office on nearby Holy Island.

The postmaster informed me that the book had been somewhat "controversial" among local folk. I asked why. He explained shyly that the book delved into Grace's "sex life and that sort of thing." When I finally got a chance to sit down and read it, I found that Mitford had indeed briefly mentioned Grace Darling's sex life—namely, the lack of it.

As I returned home from this visit, I discovered that I, too, was going through a Grace Darling phase. For days, to the astonishment of my English wife, I would talk of nothing else. Even now I can be heard on occasion singing some of the words to the Grace Darling Song:

Go, tell the wide world over,
What English phreak can do;
And sing of brave Grace Darling,
Who nobly saved the crew.

Michael Balter is a free-lance journalist living in Paris.

HEAR THIS

■ Trying to keep fit? All you need is a door and about \$60 to buy a two-pound (that's less than a kilo) gym made by Lifetime International of Madison, Wisconsin. The Lifetime Gym, in a handy tote bag, includes a lifting bar, a webbed jogging belt, a safety catch and a six-foot stretch cord with stirrups for hands or feet. Instructions tell you how to set up the gym by fitting a small webbed gizmo into the crack between a door and its frame. A chart helps determine the strength level of stretch cord to choose, ranging from about 3 pounds to about 350 pounds of tension, depending on the user's physical condition. It's a good idea to buy an extra cord a notch lower in tension than prescribed. That way, on a bad day you can still feel strong.

A Hometown Salute to Simenon

By Frank J. Prial
New York Times Staff

LIEGE, Belgium — "One would have to say his feet had carried him without his knowledge, by force of habit, to the Brasserie Dauphine. He greeted the proprietor, snuffed the restaurant's warm smell and went over to his corner where he had sat on the bench thousands of times before."

"There's andouillette," Inspector.

All over the world, hundreds of thousands of readers would recognize the subject of that passage instantly. They would know that the inspector is Jules Maigret, of the Paris Police Judiciaire, and that he is the creation of the Belgian-born novelist Georges Simenon.

Throughout this summer and fall, Simenon devotees will be making their way to Liège, an industrial city in eastern Belgium where the writer was born, to explore an exhaustive exposition about his life and work. "Tout Simenon" (All About Simenon) is at the Museum of Walloon Art in the Old Town, not far from where he was born, on Feb. 13, 1903. The show is open every day except Monday and is to run through Oct. 31.

Maigret's fans, even the most avid, might have difficulty identifying the book from which the excerpt came. Simenon wrote 76 Maigret novels, and 117 others. In his early years, he also wrote 200 novellas, most of them lurid equivalents of American dime novels, under 17 pseudonyms. The quotation is from the 1967 novel "Le Voleur de Maigret" ("Maigret's Pickpocket").

While most Simenon books were not about Maigret, it will be for Maigret that he is most remembered. Accordingly, the exhibition here leans heavily on the Maigret legend. There is, for example, a full-scale reconstruction of the offices of a police judiciaire, with Maigret's office halfway down the corridor. Phones ring and detectives' voices can be heard through the walls. On Maigret's desk is a half-eaten sandwich and a bottle of beer, his usual fare as he was about to begin the nightlong interrogation that always brought the case — and the novel — to a close.

FARTHER along the corridor is the police forensic laboratory, with a gauze-wrapped homicide victim laid out on the autopsy table. There are clips and stills from the 55 films made from Simenon novels. Jean Gabin was usually considered the best Maigret. Films were made not only in France, but in Holland, England, Australia, Japan and the Soviet Union.

Unlike writers who discard the scraps and leftovers of their lives, Georges Simenon saved everything. Visitors can see his parents' marriage certificate, his schoolboy pencil box and his first press card as a 16-year-old reporter on the *Gazette de Liège*.

There are also copies of his sleazy early fiction, livened by risqué illustrations, and two huge plastic cubes said to include copies of every book Simenon wrote.

There is a full-scale reproduction of Josephine Baker's dressing room — she and Simenon once planned to collaborate on a magazine — and a reproduction, too, of the stretcher Simenon rode to school and later to work as a boy in Liège.

But Georges Simenon left Liège at the age of 19. For the rest of his life, he was above all else a chronicler of Paris, like Zola before him. The exhibit offers scores of exquisite photographs, nostalgic posters and the poignant songs of Yves Montand, Edith Piaf and Maurice Chevalier, sung in the background to recall Maigret's Paris — Simenon's Paris — a city long gone, if in fact it ever existed.

There are photos of most of the 33 residences he occupied during his life, including homes he maintained in Connecticut, Florida, California and Arizona when he lived in the United States, from 1950 to 1960.

There are clippings from a virulently anti-Semitic series Simenon wrote for the *Gazette de Liège* when he was 18. On display, too, is a letter from a graduate student inquiring about the series almost 50 years later and Simenon's offhand reply. There were one or two such articles, he said, adding, "I was only a kid and I was forced to write them."

Simenon never considered himself an intellectual. He even bridled when referred to as a writer. "I am a novelist," he said, as if what he did was a well-learned craft and had little traffic with art. He had no use for the media-sensitive Paris intellectual world, but he cor-

responded with its leading lights. The exhibit displays often flattering letters to and from Sacha Guitry, Jean Anouilh, François Mauriac, Federico Fellini, Jean Cocteau, André Gide and Charlie Chaplin.

Simenon laid bare the darkest corners of his personal life in scores of autobiographical books and articles. And yet the exhibit here is curiously circumspect about, among other things, his apparently insatiable sexual appetite — he maintained he had slept with thousands of women — and about the suicide of his daughter, Marie-Georges, at the age of 25 in 1978. Her death nearly destroyed him emotionally and colored everything he wrote until his death on Sept. 4, 1989.

Georges Simenon was not, by most accounts, including his own, a particularly likable man. Liège's admiration for him was sparingly reciprocated. For most of his life, he was estranged from his mother. Both his marriages failed. For affection, he seemed to prefer prostitutes, whose services he regularly engaged.

The exhibit makes no attempt to gloss over most of his personal defects. What it does present is a thorough and painfully honest portrait of a writer obsessed with his craft.



Liège exhibit follows the tracks of the crime writer's life.

THE MOVIE GUIDE

Manhattan Murder Mystery

Directed by Woody Allen.
U.S.

No one could cling to the notion that Woody Allen's art simply imitates his life after watching "Manhattan Murder Mystery," the mild, middle-aged, typically blithe comedy Allen was busy directing when his private difficulties became front-page news. Nor could anyone watch this latest film of Allen's in a vacuum. Reuniting Allen with Diane Keaton, this time to play a nagging, neurotic Nick and Nora Charles investigating the disappearance of their neighbor, "Manhattan Murder Mystery" cannot help conjuring up the rapport these two shared so memorably, several lifetimes ago. At its amiable best, the new film offers glimmers of its stars' charming, quarrelsome old teamwork, although their exchanges are now dampened by the down-to-earth realities of long acquaintance. But in its less

successful moments, hamstrung by the demands of a dated detective story, "Manhattan Murder Mystery" ignores its own obvious possibilities. It would be far more interesting to watch these two work out the aftermath of "Annie Hall" than to hear them theorize endlessly about an empty, genre-bound crime. "Manhattan Murder Mystery" is likelier to prompt appreciative chuckles than flat-out laughter. And although the film struggles with its own contrivances, it achieves a gentle grace and a hint of un-self-conscious wisdom. Those who appreciate the long, daring continuum of Allen's work will be glad to find him simply carrying on.

(Janet Maslin, NYT)



Kane Hodder as Jason.

Jason Goes to Hell
Directed by Adam Marcus.
U.S.

This Friday the 13th horror series. It's about time. The ninth episode

Jason Voorhees (Kane Hodder), the series' hockey-masked fiend, is dismembered by a squad of machine gun-toting police. In the autopsy room, Jason seems beyond repair. Then suddenly his extracted heart begins to beat. The corner becomes transfixed and grabs the heart, cramming it into his mouth. With many flashes of lightning, Jason is reborn in the corner's body. Back in action, the serial killer heads straight for his hometown. The only person possessing the secret to Jason's undoing is Creighton Duke (Steven Williams), a professional bounty hunter. In order to learn Creighton's secrets, Steven Freeman (John D. LeMay), who leads the anti-Jason forces, must allow Creighton to break several of his fingers. Such gratuitous sadism gives the film an edge of sourness, and it doesn't help that Jason's intended victims (and the actors who play them) are pallid sitting ducks.

(Stephen Holden, NYT)

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INSURE



Juggling Cards, Cash and Checks

By Roger Collis
International Herald Tribune

IT is late when you arrive at Brussels Airport and you join an impatient line of travelers in front of the bureau de change. All you really need are enough Belgian francs to get you to the hotel and for tips. Should have bought them in London, but you'd run out of pounds and didn't want to be ripped off going from dollars to francs. Still, you've got a 100 Swiss franc note plus dollar traveler's checks. And you're going to need Deutsche marks tomorrow. Save the Swiss for that. So let's cash a \$50 check. What's the rate? What the hell! It's a zero-sum game. Start it out when you get home. I'm sure you've better organized. But just everyone thinks of the cost of money itself as

the system. This may vary from a couple of days to several weeks. The only snag is that the exchange rate used by your bank is that of the day it records the transaction, not when you incurred the charge. It's a question of roundabouts and swings. You may make a killing or be in for a shock depending on whether your currency has strengthened or weakened against the other. It may be also worth acquiring a dollar-based card. What counts with cards is that you can get cash whenever you are in local currency from growing networks of ATMs (automated teller machines). There are daily limits on how much you can draw (typically \$300 a day), depending on the color of your plastic. Electronic cash can cost you up to a 3 percent "handling" charge, and according to some insiders, the exchange rate isn't as good as you can get over the counter for cash.

The Frequent Traveler
A manageable item in a travel budget. Most of us take a bunch of cards, some traveler's checks, a bit of cash and hope for the best. Yet you can lose quite a lot of money just by changing it in the wrong places and in the wrong form. The art of managing money on the move is to have the right mix of payment for every kind of trip, taking into account security, cost and convenience.

Cash, it is said, is the poor man's credit card. But there's no sign it is going out of style. Cash, of course, is also the most vulnerable to loss and theft — and to the capriciousness of money changers. Banks make their money from the spread between the "buy" and "sell" rate, which can vary from 5 percent to 12 percent. This can be confusing. The buy rate is the rate at which the bank will buy your dollars, say, in London, and sell you pounds. The sell rate is for buying dollars. A typical dollar/pound spread in London right now is a buy rate of \$1.53, and a sell rate of \$1.40. The narrower the spread, the better the deal. And then you'll pay a commission of around 1.5 percent. The easiest way to figure it all out is to ask how much they'll give you for \$100 after all deductions.

Turbulent exchange rates since the virtual collapse of the European Monetary System a couple of weeks ago have produced a new breed of speculators: travelers either buy huge amounts of foreign cash before they go or wait until the last minute before changing money, and then only in small amounts, depending on whether they are optimists or pessimists. (It's wise to heed the old Soviet adage: an optimist is a pessimist who is badly informed.)

If you need several currencies, make sure they don't charge separate commissions on each, instead of treating them as a single transaction. Another tip-off is charging you

"My answer is that cleverer people than Mr. Public will not take positions in currency," says Clive Kahn, finance director for Travelers Foreign Currency Services in London. "So disregard the possibility of currency risks, carry a sensible amount of cash, and discharge the greater part of your expenses with plastic. The worst reason for carrying large sums of cash is to speculate." It looks as though Europe will be cheaper for Americans: the dollar will become stronger because Europeans have to lower interest rates. But if we all knew exactly what's going to happen, we wouldn't be sitting here. We would be sitting on a beach somewhere. If you are heading for a beach (or even an office), you can pay for most things with plastic. (In the United States you can't get by without it.) Using a card can get you off the evil day of repayment. But you're exposed to currency changes from the time you use them to the time the voucher is processed by

the system. This may vary from a couple of days to several weeks.

For two transactions when you change money into a third currency. Let's say you go into a bank in London and ask to change Swiss francs into dollars. Yes, they can do that, you'll be told. But first they have to be changed into pounds and then into dollars, meaning a double commission for the bank.

Should you change money at home or abroad? Generally speaking, Kahn says, you get a better rate when you buy the foreign currency in your own country.

COUNTRIES with soft currencies and vertiginous inflation rates often have stringent controls on imports and exports of their own currency and foreign money. Ethiopia and Algeria, for example, take customs declarations very seriously. Keep receipts of all transactions. And do not expect to be able to change back local currency into hard currency when you leave. (Ask your agent to check in TIM — Travel Information Manual — or get hold of a copy yourself.)

The Eurocheque system, which allows you to write checks in any currency, is a good way to get cash when traveling in Europe and some neighboring countries. You can also use it to pay bills but this can be expensive (2.25 percent of the check amount).

You may get a slightly better rate for checks than cash, especially when cashing large sums. But the commission rate is sometimes higher. Normally you pay a commission of 1 to 2 percent on checks when you buy them and when you return unused foreign currency checks to your bank. But a good business travel agent should be able to waive the commission.

The TIM (Travel Information Manual) contains information on travel documentation for more than 200 countries. It can be obtained by writing to: TIM, P.O. Box 902, NL-2130 EA Hoofddorp, The Netherlands. Tel.: (31) 2503 73525; Fax: (31) 2503 73515.

Doors and Don'ts

Take a Hint
Do take a sensible mix of cash, credit cards and traveler's checks.

Watch Card Limits
Do watch for spending limits on credit cards, and place your card accounts in the black to avoid interest charges.

Ask Your Agent
Do ask your travel agent whether it is better to change money before you leave or at your destination.

Spread the Risk
Don't keep traveler's checks, cash and cards in the same place. Keep a list of check numbers and phone numbers to call in the event of theft or loss.

Prepay Expenses
Do consider prepaying as many expenses as you can: air tickets, hotels and car rental. Or get guaranteed rates in your own currency.

Check on Restrictions
Do check for restrictions on importing or exporting cash in some countries.

IN THE CLUBS

Madrid's Party-Hungry Flock to El Balcón

By Al Goodman

MADRID — The designers of El Balcón, perched on a hill overlooking the lovely Parque del Oeste, on the capital's fashionable western flank, El Balcón occupies the top floor of a building whose middle level is a haunted house tour (Ruta del Terror) stocked with live actors in grim costumes. The lower level is the entry point to ride the cable cars (Teleférico) above the expensive Casa de Campo park.

El Balcón has no cover charge and clients wander in and out, often taking strolls at the nearby city outdoor bars spread along the tree-lined Paseo del Pintor Rosales.

A large blue-neon Mexican sombrero presides over the entrance to the club. Diners who sit down in the spacious restaurant must spend at least 1,000 pesetas (about \$7). The menu includes nachos, tacos, hamburgers, a salad bar and pizzas topped with Mexican beans and chilis (500 to 800 pesetas each).

This is not a place for intimate conversation because the DJ keeps a heavy bass-line reverberating on the pop and salsa tunes. Diners can watch TV screens showing rock videos or sing along with the adventures

who step up to the now-ubiquitous karaoke machine, switched on at strategic moments during the evening. There is also a real piano for those who can actually play a song.

The staff places a Viking-horn hat on the head of people celebrating birthdays. Some revelers get up and dance right in the restaurant section. Others walk a few steps past the main bar (the margaritas are skimpier; try the Mexican beer) to the crowded dance floor. Here one finds some partygoers who are "desperately available," as an English wag observed, and plenty of seasoned night-hawks on the move.

Beyond the dance floor is the outdoor balcony, where couples smooch in the closest available escape from the action, which continues until 3 A.M. or later on weekends.

El Balcón Mexicano, Paseo del Pintor Rosales at the corner of Marqués de Urquijo, 341-7440. Closed Mondays. Separate admission to the haunted house (560 pesetas) and cable car ride (430 pesetas), which close earlier than the nightclub.

Al Goodman reports from Spain for CNN.

THE ARTS GUIDE

BRITAIN

London
Barbican Centre (tel: 638 5403). To Sept. 5: "Alan Davie." A retrospective of the works of the British painter from his early oil paintings to his Abstract Expressionist paintings of the '50s and '60s and to recent paintings showing his interest in Eastern religions and primitive cultures and beliefs.

FRANCE

Dijon
Musée des Beaux-Arts (tel: 80.74.53.44). To Sept. 27: "L'Age d'Or Flamand et Hollandais." Collections of Catherine II. More than 40 paintings by 16th-century Dutch and Flemish artists, including Rubens, Jordans, Van Dyck, Hals, among others, purchased under the aegis of Catherine the Great and now part of St. Petersburg's Hermitage Museum collection.

Marseille
Musée Cantini (tel: 91 54 77 75). To Sept. 12: "Claes Oldenburg in the Studio." More than 150 sketches, drawings, collages and sculptures by Pop artist Claes Oldenburg, best known for his giant soft sculptures of everyday objects.

Paris
Musée d'Art Moderne (tel: 47.23.61.27). To Sept. 12: "Robert Combas: Du Simple et du Double." Exhibition by one of the most colorful and playful French painters of the '60s.

GERMANY

Hamburg
Opera Stable (40.35.68.406). Aug. 22, 24, 29, Sept. 5: Performances of Franz Suppe's "Die Schone Galathea."

ITALY

Siena
Chiesa di Sant'Agostino (tel: 294 701). To Sept. 5: "Francesco di Giorgio and the Renaissance in Siena 1450-1500." The Siena-born architect, military engineer, designer, sculptor, painter, hydraulic and ballistics expert was an emblematic and prescient example of the Renaissance Man. The exhibition features early paintings alongside a lost fresco uncovered in 1977.



Detail from Bathus's "La Montagne" in Lausanne.

Trent
Museo di Arte Moderna e Contemporanea (tel: 228 538). To Sept. 30: "Romanzotti: The New Feeling of Nature." Landscapes, light and natural environment depicted in 150 works of European artists of the Romantic period, including Friedrich Constable, Turner, Corot, Courbet and Deceuninck.

Tokyo
Bunka Gakuen Costume Museum (tel: 32.99.23.87). To Sept. 17: "Palestinian and Jordanian Costumes from the Kawar Collection." Traditional costumes characterized by their complicated embroidery. Also, jewelry and accessories.

JAPAN

Himeji
Himeji City Museum of Art (tel: 782.22.2288). To Aug. 29: "The Attraction of Paul Delvaux." Features lithographs, oil paintings and watercolors by the Belgian Surrealist, as well as works by James Ensor and René Magritte.

NETHERLANDS

Amsterdam
Van Gogh Museum (tel: 570.52.00). To Aug. 29: "The Potato Eaters." Drawings and paintings relating to van Gogh's "Potato Eaters," which he finished in 1885. In addition, there is a showing of the series, "Frugal Meals," by other 19th-century artists such as Max Liebermann, Joseph Israels and Johannes Aertsen Neuhuys.

Brussels
Central Museum (tel: 382.262). To Oct. 3: "James Ensor (1860-1949)." Features 50 paintings and 70 drawings and etchings, including a series of erotic drawings by the Belgian pioneer of Expressionism.

SWITZERLAND

Lausanne
Musée des Beaux-Arts (tel: 312.83.32). To Aug. 29: "Balthus." More than 50 paintings, 30 watercolors and drawings by the Polish-born French figurative painter, who developed a naturalistic style with occasional Surrealist overtones.

Martigny
Fondation Pierre Gianadda (tel: 22.39.78). To Nov. 21: "Edgar Degas: 1824-1917." More than 70 sculptures and 130 paintings, sketches and drawings of Degas's favorite themes: horses, ballerinas, prostitutes and bathers.

UNITED STATES

New York
American Craft Museum (tel: 965.3635). To Oct. 10: "John Cage: Edible Drawings." These drawings combine the traditional art of paper-making with the artist's avant-garde techniques and his knowledge of plants and eastern philosophy. The materials for the works (hulk seaweed, bitter melon, ginger root) are based on Cage's macrobiotic diet.

Washington
The Corcoran Gallery of Art (tel: 538.1903). To Oct. 10: "Visions of Pueblo: The Folk Art of Latin America." Featuring more than 250 objects from 17 countries, this exhibition chronicles the folk heritage of Latin American artistic expression. It features a selection of objects made for ceremonial, utilitarian and decorative purposes.

BOOKS

CONSIDER THIS, SENORA

By Harriet Doerr. 241 pages. \$21.95. Harcourt Brace.

Reviewed by Ana Castillo

WHEN Harriet Doerr's first novel, "Stones for Ibarra," was published in 1978, it won wide acclaim and the National Book Award. What seemed to add to Doerr's remarkable achievement was her age at the time of publication; she was 67. To an extent, the reader may take liberties with identifying the autobiographical elements in a novel, but it seems safe to conclude that the widow from whose perspective Doerr's first novel is told is the author herself. "Stones for Ibarra," set in an obscure Mexican village in the middle years of this century, tells the story of a white, middle-aged North American woman who moves there with her husband who has inherited a copper mine. The husband dies and the woman's days in Ibarra end along with the novel. It is the story of the woman but it is also the story of village life. There are the perfunctory rural characters: the priest and the sinner, the superstitious faithful and the cynical hustlers, the not so reliable country doctor, the village idiot, an assortment of others and, of course, the miners. The characters are typical of village life anywhere in the 20th century where modern medicine, technology and financial flow seem slow in coming.

Doerr disengaged in that book a pristine prose style and a steady eye for detail that made her novel undeniably noteworthy.

Doerr's slender new novel, "Consider This, Señora," seems a sequel of sorts. And sequels to any novel as successful as Doerr's first bear the burden of being expected to measure up to the author's reputation. In "Consider This, Señora," she returns to familiar terrain — a remote Mexican village, Amapolas. Although there is a new set of characters and a different village, the portrayals and stories are reminiscent of Southwestern and Mexican life as drawn by writers of the author's generation.

Again we have the local villagers as a backdrop: the incompetent government officials, the mason, the cobbler, the young barefoot girl dreaming of love, babies dying of dysentery, while cattle and people suffer through the drought. In the forefront are the North American and European "expatriates" who individually come upon the village, buy land, build their houses and, one day, all leave. To Doerr's credit, if the Catholic mission is an unfathomable enigma to the white American mind, the narrator seems aware that her North American characters find their own sense of self equally thrown off-balance when in direct confrontation with the "other." (I refer here to the "other," as Mexican intellectuals Octavio Paz and Carlos Fuentes have used the term in discussing how Mexicans have been perceived by white Anglo-Saxon North Americans.) In other words, everyone here is an enigma to everyone else.

Doerr's portrayal of the characters who appropriate land in Amapolas conjures up the random group of expatriates so similarly portrayed by a number of English and American novelists prior to World War II, whose rejection of their class and society led them to the Southwest and Mexico, as well as Europe. Like the self-exiled writer, the characters also have the option to return to a comfortable life in North American society.

The novel centers on a North American woman in her late 30s, Susan Ames, who settles in Amapolas to print and to get over the rage of a disappointing marriage, but two other women at different stages in life are also reflected upon in the narrative.

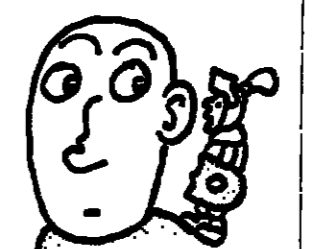
Perhaps it isn't fair to expect Doerr to have challenged herself with this subsequent novel and departed from the nostalgic atmosphere of the village life she experienced as a married woman in love and which she rendered so successfully in her first novel. After all, some believe that all writers have only one story to tell. To tell it well, one is no small feat for any writer. If you want to remember Harriet Doerr's story, read her first novel.

Depending on your taste for leisurely reading, "Consider This, Señora" may be a good summer pastime, but to my mind, it is not much more.

Ana Castillo, the author of "So Far From God," wrote this for The Washington Post.

WHAT THEY'RE READING

• Siegfried Guterman, chief spokesman at the Deutsche Bank in Frankfurt, is reading "The Pillars of the Earth" by Ken Follet. "It's fascinating to read such a detailed account of life in England during the Middle Ages. As far as ethics and morality are concerned, we are not much further today than they were then." (Michael Kallenbach, IHT)



BRIDGE

By Alan Truscott

VERY strong three-suited hands present problems in standard methods.

An example is the diagrammed deal from the June playoffs in Memphis that determined the 1993 American world championship teams.

The North player, Mary Bergen of Farmingdale, Long Island, was relieved to hear his partner respond one heart. Now he was able to bid four clubs, a splinter bid to show a strong hand, a heart fit and club shortage. East doubled. South attempted to sign off in four hearts, and North raised to five hearts. This asked South to continue to slam if he held a top spade, and that player had no hesitation in passing.

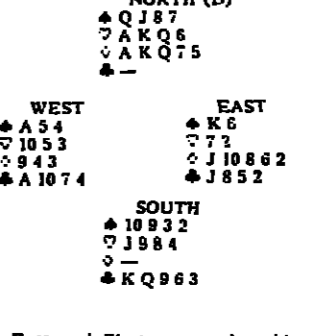
West was Larry Robbins, who had listened carefully to the bid-

ding and had understood it — although not completely. He recognized that his opponents were suffering from a severe spade weakness, and made a brilliant underlead of the spade ace. His partner, Jerry Goldfarb, won with the king, returned the suit and scored a third-round ruff to defeat the contract.

Brilliant? Perhaps. But West had forgotten that his partner's double of four clubs had an agreed meaning: It showed strength in the next higher unbid suit, in this case spades. That was information that East had given to South, on one side of the screen, but West had failed to give to North, on the other.

North could now claim that if he had been properly informed about the meaning of the double he would have passed four hearts. The question became moot when Bergen's

team won the match easily and an adjustment would not have affected the result.



East and West were vulnerable. The bidding: North: 1♣, 1♥, 2♣, 3♣, 4♣. East: 1♠, 2♠, 3♠, 4♠. South: 1♠, 2♠, 3♠, 4♠. West: 1♠, 2♠, 3♠, 4♠. West led the spade four.

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Australia 0014-881-877	+China 109-13	Hong Kong 800-377	Poland 0010-480-0115	United Kingdom 800-89-0877
Austria 022-983-041	Colombia-English 980-13-0010	Hong Kong 811	Portugal 02074-877	United Kingdom 0500-800-800
Bahamas 1-800-389-211	Colombia-Spanish 980-13-0110	+Hungary 00-0890-01-877	~Puerto Rico 1-800-877-8800	~U.S.A. 1-800-877-8000
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+Bermuda 1-800-623-0877	~Dominican Republic 1-800-758-7877	+Israel 172-02-3727	Spain 900-99-0013	Venezuela-English 800-1111-0
Bolivia 0800-3333	Ecuador 171	+Italy 172-977	~Sweden 020-799-011	Venezuela-Spanish 800-1111-0
Brazil 000-8016	+El Salvador 191	+Japan 0019-131	+Switzerland 65-9777	
British Virgin Is. 1-800-877-8000	+Finland 9800-1-0284	+Korea 0066-055-877	~Taiwan 0800-44-0877	
Cambodia (Phone Patch) 81-01-01	+France 1-800-8087	+Korea 0800-12	+Thailand 001-999-13-877	
+Canada (Phone Patch) 2230	+Germany 020-04015	+Korea 009-16	+Trinidad & Tobago 21	
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BUSINESS

International Herald Tribune, Friday, August 20, 1993

Page 11

VW's López Says the Japanese Are the Real Enemy

By Silvia Wadhwa
Bloomberg Business News

WOLFSBURG, Germany — Filled with confidence despite the charges of industrial espionage swirling around him, José Ignacio López de Arriortua, the embattled chief of purchasing and production at Volkswagen AG, said Thursday that his real enemy was not General Motors Corp., his former employer, but Japan.

"Unfortunately, they are different," Mr. López said in an interview of the Japanese. "I don't like the way of living. And I prefer to live in Western society, prefer the way we are living. If you are losing this battle and you have new bosses, then sooner or later you will have the same style of living as your bosses."

In a wide-ranging conversation in his office here — his first interview with an international news organization since defecting to Volkswagen from GM last March — Mr. López maintained that neither he nor his associates took any confidential information from GM. Indeed, he offered an olive branch of sorts to the

American automaker, saying his work at VW was complementary to his earlier efforts at GM, and that he had undertaken both to protect "Western society."

"General Motors today is in much better shape than when I went there," Mr. López said. "I am happy that I helped in its consolidating, because it gave Western society a strong company. Now my vision is, come here and consolidate the second powerful company in Western society, Volkswagen."

"When you have these two strong companies — General Motors in America and Volkswagen in Europe — then the chances for Western society to win are much better than if you have only one."

"That's how we win this battle," Mr. López insisted. "And that's what moved me to come here."

Mr. López, a 52-year-old Spaniard who engineered the turnaround of GM's faltering European operations with a program that analysts say saved it more than \$1 billion, left for Volkswagen on March 16.

GM's head of worldwide purchasing at the time, he sprang an offer to take over the corporation's North

American operations to return to Europe. Associates said he was drawn by an opportunity to build an auto factory in Spain's economically depressed Basque region, where he was raised.

But after several of his GM associates followed Mr. López to the German automaker, he and VW found themselves embroiled in a series of legal battles with GM. In April, GM's Adam Opel unit filed a criminal complaint, accusing Mr. López and others of taking confidential business papers, in defiance of German laws against unfair competition.

So far, though, no one has been charged with an offense. German authorities say they are continuing their investigation. In statements released to the press, Mr. López has affirmed his innocence. VW has said that it continues to support him and does not believe the allegations.

Volkswagen had heretofore spurned requests for interviews with Mr. López. But the executive, eager to defend his integrity and explain what he called his "vision" for Western auto companies, agreed to an

interview, although he refused to answer questions about the allegations of industrial espionage.

"We didn't bring here any documents that are secret or confidential or proprietary," Mr. López said, in the only response he would make to the charges. "We put this in writing twice. What else can I say?"

Despite the bitterness of GM's charges against him, Mr. López hurled his sharpest criticism at Japan.

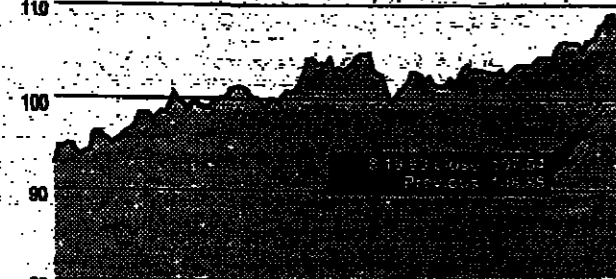
"We in the West were too naive," he said. "We cannot afford to be naive. If you lose the battle for the automotive industry, then the West and Western society will become a second-class society, because one out of seven people here lives from cars. So the automotive industry is essential. We must win."

The weapons he intends to use in the battle for automotive dominance, however, were forged in Japan. Mr. López said that the most important element in corporate success was worker motivation, and that the best systems for inspiring workers to contribute to a

See LOPEZ, Page 13

THE TRIB INDEX 107.54

International Herald Tribune World Stock Index, composed of 280 International investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and elsewhere. It includes stocks from 20 countries, including Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, and Switzerland.

Region	Index	Change
Asia/Pacific	107.54	+0.10
Europe	107.54	+0.10
N. America	107.54	+0.10

Country	Index	Change
USA	107.54	+0.10
UK	107.54	+0.10
Germany	107.54	+0.10
France	107.54	+0.10
Japan	107.54	+0.10

Industry	Index	Change
Energy	107.54	+0.10
Utilities	107.54	+0.10
Finance	107.54	+0.10
Services	107.54	+0.10
Manufacturing	107.54	+0.10

WALL STREET WATCH

U.S. Fund Managers Place Bets on European Shares

By Calum Henderson
AFP-News

NEW YORK — U.S. fund managers say they are shifting their portfolios in favor of European stock markets on the prospect that countries belonging to the European Monetary System's exchange rate mechanism will cut interest rates sharply in order to boost economic growth.

The expectation that corporate earnings will rebound as growth resumes could sustain the current rally in European stocks until at least the end of the year, U.S. market analysts and investment strategists say.

A clear favorite in stock purchases by U.S. mutual, pension, and hedge-fund managers are European banks, which are interest-rate-sensitive by nature and are expected to gain both from the decline in interest rates and the widened rate spread.

Analysts and fund managers see European banks being able to make the same rate spread pay as U.S. banks have done over the past year, borrowing at an increasingly declining short end and buying government securities at the long end.

"Here is a case where the political view in the State Department overrides what the president is saying. We don't like Iran so we are going to put... people out of work in Seattle," said an administration official familiar with the situation.

If allowed, the orders would be of special importance to Boeing and GE, which have been forced to furlough thousands of workers as global aircraft sales have plummeted, and Airbus has become more aggressive in making sales.

To get the Iranian business, Airbus has waged an energetic campaign to exclude U.S. parts from its plans to avoid being subject to U.S. export licensing, Alan Boyd, the former chairman of North American operations for Airbus, told a June hearing of a government commission on the airline industry. An Airbus spokesman called that assertion "categorically and totally wrong."

Iran Air Seeking Airbus

U.S. Said to Block Supply by Boeing

By Stuart Auerbach
Washington Post Service

WASHINGTON — Iran Air is actively negotiating to buy \$1.2 billion-worth of passenger jets from the European consortium Airbus Industrie after failing to win assurances that the U.S. government would allow Iran to buy the planes from Boeing Co., according to administration and industry officials.

Airbus has guaranteed export licenses if Iran orders Airbus planes with engines supplied by Rolls-Royce PLC of Britain, according to copies of messages from Iran Air officials. Airbus declined Thursday to comment on pending deals.

Iran Air initially sought to buy 16 Boeing 737 passenger jets powered by GE engines reported to be worth a total of \$750 million. But despite direct appeals in March by Boeing Co. and General Electric Co. to top officials in the administration and President Bill Clinton's own pledge at a Boeing plant to help the U.S. aerospace industry do better in the world marketplace, the U.S. companies have been unable to win permission to make the sale.

According to industry and diplomatic sources, the sticking point is Secretary of State Warren Christopher, who was deputy secretary of state under former President Jimmy Carter when Iranian radicals seized the U.S. Embassy in Tehran and held 52 American diplomats hostage for 444 days.

Mr. Christopher, who negotiated the hostages' release in the final days of Mr. Carter's administration, called Iran "an international outlaw" and "a dangerous country" as recently as March. He said it being blocked on foreign-policy grounds because Iran is considered a nation that supports terrorism, sources said.

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A Third World Lift for U.S. Exports to Developing Nations Surge

By Steven Greenhouse
New York Times Service

WASHINGTON — The Third World is giving the U.S. economy an unexpected and much-needed boost by increasing its imports of American goods by almost one-third over the last two years, with another large jump anticipated this year.

American sales to the non-industrialized world rose to \$167 billion last year, up 14 percent over the previous year and largely offsetting weak demand from Europe and Japan, both plagued by economic slumps. Exports to the Third World jumped to more than 37 percent of total U.S. exports last year, from 32 percent in 1990.

Administration officials attribute the export boom to several factors. The rapidly industrializing countries of Asia are growing at a phenomenal pace, enabling them to purchase more metal-cutting machines and Madonna records.

Mexico, Argentina and other Latin American countries have recently lowered many tariffs and removed other trade barriers, while the region's growth is picking up after years of stagnation.

U.S. exports have also been helped by the drop in the dollar's value since 1985 and the increased competitiveness of American companies.

The administration has hailed the trend, using it as ammunition to argue for trade liberalization — in particular the North American Free Trade Agreement, which would tie Mexico, Canada and the United States together in a giant free-trade zone. The administration is also seeking that opportunity, he said. "It's time we start thinking of these coun-

tries more as an opportunity and less as a problem."

But some economists, especially those who oppose the trade accord, view this export boom as a mixed blessing. They argue that the surge in exports causes some job losses because the purchases often come from companies that move their factories overseas and then import American machinery and components to make them run.

Commerce Department figures show that a large part of the exports are goods to help build industry in the Third World: power generators, metal-cutting lathes, computers and telecom-

See TRADE, Page 14

Trade Gap Hit A 5-Year High For U.S. in June

By Keith Bradsher
New York Times Service

WASHINGTON — The U.S. trade deficit widened dramatically in June to \$12.06 billion, the largest in more than five years, as exports shrank and imports rose, especially in trade with Western Europe.

The sheer size of the June shortfall startled trade experts, who had expected only a modest increase from the May deficit. "That's just unimaginable," said Wayne L. Ber-

man, a former Commerce Department official and senior Bush campaign aide, when told of the June deficit.

Recalling the Clinton campaign's famous slogan last year "It's the economy, stupid," Mr. Ber-

man said that "the phrase should have been, 'It's the global economy, stupid.' Because you can't separate our economy out."

The biggest increases in imports were for manufactured consumer goods — notably cotton clothing and television sets — and manufactured industrial products, led by computers, civil aircraft and computer chips. Export categories that fell sharply included gold, computer accessories, and cars and cars.

The Commerce Department has now announced four consecutive

See DEFICIT, Page 15

CURRENCY & INTEREST RATES

Currency	Rate	Change
British Pound	1.67	+0.01
French Franc	6.55	+0.01
German Mark	1.75	+0.01
Japanese Yen	148	+0.01
Swiss Franc	1.48	+0.01

Eurocurrency Deposits

Term	Rate
1 month	5.75%
3 months	5.75%
6 months	5.75%
1 year	5.75%

Key Money Rates

Instrument	Rate
3-month Treasury bill	5.75%
6-month Treasury bill	5.75%
9-month Treasury bill	5.75%
1-year Treasury bill	5.75%

United Press International

LOS ANGELES — Mattel Inc. said Thursday it would acquire the rival toy maker Fisher-Price Inc. for about \$1 billion in stock, enlarging itself to roughly the size of the U.S. industry's largest concern, Hasbro Inc.

Mattel plans to swap 1.275 shares of its stock for each of the 30.6 million outstanding Fisher-Price shares, a deal worth \$994.9 billion at Mattel's closing price of \$25.50 on the New York Stock Exchange. Fisher-Price shares, valued at \$32.5125 under the deal, ended at the day \$23.625.

The arrangement, which requires shareholder and government approvals, was announced after the market closed. The deal is expected to close by Dec. 1.

Mattel is strongest in the mainstream children's market, with Barbie dolls as its leading brand. Fisher-Price specializes in toys for babies and toddlers. It was spun off two years ago by Quaker Oats Co.

Fisher-Price reported 1992 revenue of \$694 million, while Mattel had 1992 sales of \$1.85 billion, giving the combined companies sales of \$2.54 billion. Hasbro's 1992 sales were also \$2.54 billion.

Mattel to Buy Fisher-Price for \$1 Billion

toy companies in recent years. It announced in June it had acquired a 60 percent interest in Crozer Toys Ltd., a leading toy marketer and distributor based in New Zealand.

Mattel has been given high marks by analysts for its focus on its core products, such as Barbie, and its foreign expansion. Sales of Barbie hit \$1 billion last year.

The combination of Mattel and Fisher-Price will produce a leading toy company that has the strongest consumer brands, by far, in the toy industry," said John W. Amerman, Mattel's chairman and chief executive.

from currency hedging, income taxes, however, more than doubled, to 29.15 billion yen, overcoming those gains in the net profit figures.

Taxes were reduced in the 1992 quarter because earnings from foreign subsidiaries had not been remitted to the company, and were instead reinvested in those units. Sony had previously paid taxes on those earnings and so took a credit a year ago.

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MARKET DIARY

Consumer Products Boost the Market

NEW YORK — Stock prices closed at another record Thursday on the New York Stock Exchange, as late buying helped the market shake off profit-taking earlier in the day.

Gains in consumer-products shares like Coca-Cola, Merck, and Kellogg helped the Standard & Poor's 500 index break through its March 10 record high.

The Dow Jones industrial average, meanwhile, set its fifth record close this month, climbing 7.27 to 3,612.13.

The S&P 500 gained 0.39 of a point to a record 456.43, barely passing the previous high of 456.34.

The advance in the S&P 500 was helped by its heavy weighting of large consumer stocks in the health-care, beverage, food, and tobacco industries.

Stocks rose as long-term interest rates slid to a record low for the ninth straight session amid more evidence of a sluggish economy.

Bonds soared after the Commerce Department said the merchandise trade deficit widened to \$12.06 billion in June, from \$8.4 billion in May.

The yield on the benchmark 30-year bond dropped as low as 6.18 percent.

"The mere idea that the market didn't pull back much as all is pretty good, considering the disappointing trade-deficit number for the month of June," said Robert Stovall, president of Stovall/Twenty-First Advisers.

"You couldn't expect much more," he said.

Decliners edged past advancers by a narrow margin. Trading was unusually brisk before Friday's options expiration, with about 290 million shares changing hands on the Big Board.

Drug stocks, among the biggest market losers of the past two years, have enjoyed a resurgence of investor demand in recent days, buoyed by a growing belief that President Bill Clinton's proposed health-care reforms will not hurt profits severely.

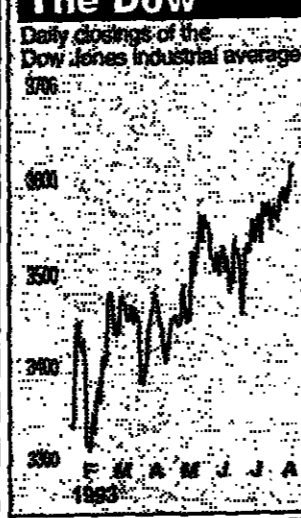
Merck rose 3/4 to 33.14, after leading 17 Wednesday, Bristol-Myers Squibb Co. added 1/2 to 36.74.

Kellogg advanced 2 to 52.74 after the stock was placed on Goldman, Sachs & Co.'s recommended-for-purchase list because the stock was down 33 percent from its 52-week high of 75 1/2 and because the firm expects cereal sales to pick up next quarter.

AT&T fell 1 1/2 to 58.75. The telecommunications giant will face both technical hurdles and increasing competition after it completes its \$12.6 billion merger with McCaw Cellular Communications Inc., a news report said.

The report said McCaw, which fell 1/4 to 53.12, will face increasing competition from the seven Baby Bells and GTE Corp. as well as technical hurdles related to the transmission of data over cellular lines.

The Dow



Dow Jones Averages

Table with columns: Open, High, Low, Last, Chg. for Industrial, Trans, Utilities, S&P 500, Comp.

Standard & Poor's Indexes

Table with columns: High, Low, Close, Chg. for Industrial, Financial, Utilities, NASDAQ.

NYSE Indexes

Table with columns: High, Low, Close, Chg. for Composite, Industrial, Financial, Utilities, NASDAQ.

AMEX Stock Index

Table with columns: High, Low, Close, Chg. for 30 Bonds, 10 Industrials.

Dow Jones Bond Averages

Table with columns: High, Low, Close, Chg. for 30 Bonds, 10 Industrials.

Market Sales

Table with columns: NYSE, AMEX, NASDAQ, N.Y.S.E. Odd-Lot Trading.

N.Y.S.E. Odd-Lot Trading

Table with columns: Buy, Sell, Short for various stocks.

S&P 100 Index Options

Table with columns: Call, Put, Open, High, Low, Last, Chg.

Amex Diary

Table with columns: Adv. Declined, Unchanged, Total Issues, New Highs, New Lows.

NASDAQ Diary

Table with columns: Adv. Declined, Unchanged, Total Issues, New Highs, New Lows.

EUROPEAN FUTURES

Table with columns: High, Low, Last, Settle, Chg. for Food, Metals, Financial.

Table with columns: High, Low, Last, Settle, Chg. for 3-MONTH STERLING, 3-MONTH EURO DOLLARS.

Table with columns: High, Low, Last, Settle, Chg. for 3-MONTH EURO DOLLARS.

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Stock Indexes

Table with columns: High, Low, Close, Change for NYSE, S&P 500, AMEX.

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U.S./AT THE CLOSE

Relief for Airlines Urged

WASHINGTON (Combined Dispatches) — A federal commission formally recommended Thursday widespread regulatory and tax relief for the battered U.S. airline industry.

In a report issued to President Bill Clinton and Congress, the 15-member bipartisan panel issued some 60 recommendations to help strengthen the industry, including a two-year exemption from the new 4.3-cent-per-gallon federal fuel tax, cuts in existing ticket and cargo taxes and formation of a special committee to assess carriers' financial health.

As expected, the commission also recommended that foreign investors be allowed to acquire up to a 49 percent stake in U.S. air carriers, compared with the current ceiling of 25 percent.

The commission said these investors should not be government-owned, and added that the United States should demand equivalent investment opportunities in foreign countries.

The commission also recommended a system of multinational agreements on international air rights, the so-called "open skies" policy, to replace the current system of bilateral agreements.

Mr. Clinton said he had received the report with "great interest and enthusiasm." He said his administration would now draw up a plan for siding the industry.

Clinton Said to Push for Plane Order

WASHINGTON (Combined Dispatches) — President Bill Clinton helped clinch a \$6.2 billion order from Saudi Arabia for Boeing Co. and McDonnell Douglas Corp. aircraft, according to Senator Patty Murray.

The Washington Democrat said Mr. Clinton called her late Tuesday and said he dealt personally with King Fahd to secure the order.

The president told her that he talked directly to the king and it was a very tough competitive battle with our competitors in Europe," Ms. Murray told reporters by telephone from Seattle.

Times Publishing Paid Greenmail

FORT WORTH, Texas (UPI) — Times Publishing Co. said that since a 1990 takeover battle, it had paid the Texas billionaire Robert Bass and others \$70 million in greenmail.

Times Publishing, citing the expiration of a three-year nondisclosure agreement, said it had paid Mr. Bass \$53 million in 1990 and \$3 million Wednesday for his stock in the company, which owns the St. Petersburg Times in Florida and other media properties.

Times Publishing said it planned to pay \$1 million later this year for shares Mr. Bass had donated to Stanford University. The company also said it spent \$13 million buying shares to prevent future takeover attempts.

GE Is Said to Plan Further Layoffs

EVANDALE, Ohio (Bloomberg) — General Electric Co. plans to cut more than 2,000 additional white-collar jobs at its aircraft-engine plant in Evandale, Ohio, and an announcement about the layoffs could come as soon as Saturday, union officials said.

"They did have a meeting yesterday but I don't know who they put on the chopping block," said Bob Hollen, chairman of the bargaining committee for the International Association of Machinists Local 912 in Evandale. "They are having a hell of a reduction."

Mr. Hollen's comments followed a published report that the job losses could total as many as 4,000.

For the Record

Century Telephone Enterprises Inc. said it agreed to acquire the cellular-telephone system developer CelTel Inc. for about \$105 million. The price, which excludes Century's assumption of about \$40 million in CelTel debt, will be paid half in cash and half in stock.

The New York Times planned \$1 billion acquisition of the Boston Globe was approved by Justice Department antitrust regulators.

IBM Corp. researchers have found a way to create materials that may allow computer disks to store about 30 times more information per square inch than is now possible.

YEN: Intervention Halts Advance

Continued from Page 1

was built around the assumption that a lot of ERM crisis intervention would be included, but it did not seem to be the case. When the money grid buckled at the end of July, European central banks borrowed marks from the Bundesbank, using the funds to buy their own currencies.

They said if German money supply expansion was higher than first appearances would suggest the market is likely to become more bearish about a cut at next week's Bundesbank council meeting and the mark should begin to tick up.

WASHINGTON — President Bill Clinton on Thursday named William Daley, brother of Chicago Mayor Richard M. Daley, to head the effort to promote congressional approval of the North American Free Trade agreement.

With Mr. Daley and Vice President Al Gore standing by his side in the Oval Office, Mr. Clinton said: "There is no doubt in my mind this agreement is a significant plus for the American economy. This agreement means more trade, more jobs and more exports for the United States. It is very much in the public interest."

Mr. Clinton also expressed "high hopes" that he could persuade the House majority leader, Representative Richard A. Gephardt, Democrat of Missouri, to drop his opposition to the pact.

Clinton Names Chicagoan NAFTA Aide

Compiled by Our Staff From Dispatches

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Mr. Daley said he hoped side agreements to the pact designed to improve labor and environmental standards would enlist the support of Mr. Gephardt. The pact is also opposed by another member of the House Democratic leadership, Representative David E. Bonior of Michigan, the majority whip, whose concerns involve mainly job protection.

WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Milan, Paris, Sao Paulo, Singapore, Stockholm, Zurich, Toronto, Sydney, Tokyo, and others.

Table of U.S. futures markets including Grains, Metals, Lumber, Cattle, and others.

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Barclays Taps Textile Executive

Compiled by Our Staff From Dispatches

LONDON — Barclays Bank PLC's eight-month search for a chief executive ended Thursday with the appointment of a nonbanker to head Britain's second-largest bank.

Martin Taylor, 41, joins Barclays from Courtauld Textiles PLC, where he is joint chairman and chief executive. Mr. Taylor will take up his duties Jan. 1, the bank said.

Barclays' decision to appoint a chief executive follows pressure from large shareholders for Andrew Barclay to split his role as joint chairman and chief executive.

The lengthy hiatus, during which Barclays has been searching for a new chief executive, has been damaging to the bank, banking industry analysts said.

"This period has not been helpful to the business itself, because it's been something of a diversion," said Hugh Jenkins, chief executive of Prudential Co.'s portfolio managers, which owns just over 3 percent of Barclays' stock. "People can refocus in Barclays; they now have a chief executive; they can rally around."

Barclays' stock surged 21 penny to close at 491.

Analysis said Mr. Taylor had earned respect at Courtauld for splitting off the textiles sector from its chemicals sister company. He also oversaw a successful restructuring program.

Analysts were unfazed by the lack of banking experience on the résumé of Mr. Taylor, who was a journalist at Reuters and the Financial Times before entering industry at Courtauld in 1982.

"It's quite an inspired appointment," said Nick Collier, banking analyst at Morgan Stanley. "He brings with him a reputation for clear thinking on strategy and Barclays needs clarity of thinking at the top."

(Bloomberg, Reuters)

LIFFE's Future Is the Pits London Opts for Screams, Not Screens

Bloomberg Business News

LONDON — The London International Financial Futures & Options Exchange is the eccentric Englishman of the derivatives world. While other exchanges are embracing computer technology and linking themselves together in an international web, LIFFE largely plans to go it alone and maintain the quaint, colorful open-outcry system.

Nick Durlacher, the chairman of LIFFE (pronounced life), said his exchange could lead off the competition by doing what it has done since it opened in 1982, and by doing it alone. As other exchanges pursue high-technology trading links, LIFFE traders will continue to shout buy and sell orders in the open-outcry system that has given futures trading its wild image.

The rivalry among European futures exchanges to create new instruments and attract investors is drawing attention following the virtual collapse of the European Monetary System's exchange-rate mechanism. With European currencies able to swing widely against each other, exchange rates and interest rates are expected to become volatile. Companies and investors who want to hedge may invest more of their capital through exchanges like LIFFE.

With competition heating up, LIFFE is investigating a turn to increasingly complicated instruments — what Mr. Durlacher called "wacky products" — to keep its lead in Europe's derivatives race.

The exchange, which made its mark in European interest-rate and currency derivatives, is examining ways to help insurers hedge against their risks, and may consider a broader array of derivatives based on British stocks and other equity products. Yet even its chairman concedes LIFFE is spending most of its time just trying to keep its lead in Europe's derivatives race.

That was not always so. Through the 1980s, financial derivatives — instruments whose value is based on underlying stocks, bonds or currencies — became the growth industry of European finance. With computers to keep tabs on their holdings, fund managers who once would have purchased gold to hedge against stock-market collapses began buying options to sell equity indexes instead.

For the most part, LIFFE has stood alone as exchanges from Stockholm to Paris have banded together with the hope of creating webs of trading screens that one day promise to let people trade French bond futures in Chicago or Swedish share

options in Zurich, perhaps around the clock. The key to such links is computerized, screen-based trading, a technology LIFFE uses only sparingly.

Its competitors claim that LIFFE's reliance on open-outcry trading will give them an edge.

"Eventually you'll see all the European exchanges linked up, and LIFFE is going to stand outside," said Karl Haeber, head of international futures and options at Deutsche Bank in Frankfurt. Deutsche Bank is the biggest shareholder of LIFFE's German rival, the screen-based Deutsche Terminbörse.

Live traders, the exchange contends, mean liquidity for its contracts.

Mr. Durlacher defended LIFFE's system. "When we started in 1982 there were probably people who said, 'Why on Earth are you building a floor? Why aren't you using modern technology and trading screens?'" he said. Open-outcry, he maintained, gives LIFFE an advantage by encouraging traders to buy and sell for their own accounts with their own capital. These traders, known as locals in the argot of the futures markets, make LIFFE's contracts more active and thus easier to trade.

LIFFE made a foray into screen-based trading four years ago by allying with the Tokyo Stock Exchange to trade Japanese government bond futures. The London exchange is now spending about \$2 million (\$3.1 million) to upgrade that system and to incorporate trading of Japanese government bond options, Mr. Durlacher said.

Yet that is about as far as LIFFE intends to go, at least for now. In the past two months, the exchange has suspended linkage talks with the Chicago Board of Trade and stopped its discussions with Globex Corp., which runs a 24-hour trading network. LIFFE said it could not cut the deals it wanted.

LIFFE's stand-alone approach has some traders and investors worried, especially because the exchange has had mixed success getting new products off the ground. Earlier this month, the London exchange ended its Spanish bond futures, which it had set up five months earlier to compete with contracts on Barcelona's Mercado Futuro Financiero, because trading never took off. In June, LIFFE killed off its U.S. bond futures and options contracts for lack of trading.

Mannesmann Slips Into First-Half Loss, But Upturn Is Seen

Reuters

BONN — Mannesmann AG announced Thursday a dramatic plunge into a first-half loss, surprising analysts, who nonetheless said the company should do better during the rest of the year.

The German engineering concern posted a net loss for the first half of 1993 of 467 million Deutsche marks (\$276 million), after a 15 million DM profit a year earlier. The loss came despite a small rise in sales, to 12.87 billion DM from 12.82 billion a year earlier.

Mannesmann shares fell 8.30 DM to close at 333.20 DM on the Frankfurt exchange.

"I was shocked by the result," said Charalampos Christopoulos, senior analyst at Barclays de Zoete Wedd in Frankfurt. "I had predicted a much smaller loss. But they are at the bottom now. Everything will be higher from now on."

"The result is worse than expected," said Alan Coats of Paribas Capital Markets in London. "The bottom of my prediction range had been a 400 million DM loss."

Analysts said restructuring costs, which probably accounted for nearly half of the loss, would be lower in the second half. They also said losses at the company's mobile phone division, Mannesmann Mobilfunk, were diminishing rapidly.

"Mobilfunk probably cost them 140 million in the first half," Mr. Coats said. "But it will move into profit next year." Mannesmann said sales at Mobilfunk were growing very rapidly, and that the unit would reach even earlier in 1994. Losses until now have been due to high start-up costs.

The company said that all of its other divisions were hit by weak demand and sales in the first half of the year. Mannesmann said its results were also burdened by heavy restructuring costs.

The company's core machinery and plant-construction business lost money in spite of higher revenue, due to weak sales in mass-production areas and low prices worldwide.

Profit Leaped At Ericsson In First Half

AFP-Extel News

STOCKHOLM — LM Ericsson AB said Thursday its first-half pretax profit had soared 20-fold, to 1.29 billion kronor (\$161 million), from 59 million kronor a year earlier.

Sales rose to 27.394 billion kronor from 20.311 billion, and operating profit quadrupled to 1.405 billion from 350 million.

The company said it expected pretax profit for the full year to be double the year-earlier figure of 3.306 billion kronor.

All business areas showed positive development, the company said. Sales in public telecommunications rose to 10.04 billion kronor from 8.75 billion, while sales in the mobile-communications business area rose to 10.65 billion from 6.10 billion, making it the company's largest area of business.

Ericsson said roughly half of the increase in the first-half order inflow was due to the depreciation of the krona, but this had only a marginal effect on the profit level.

ABB Profit Flat As Sales Ease

Compiled by Our Staff From Dispatches

ZURICH — ABB Asea Brown Boveri Ltd., the Swedish-Swiss electrical and heavy-engineering conglomerate, said first-half pretax profit had edged up to \$497 million, from \$496 million in the like 1992 period.

Earnings after financial items for 1993, which are expected to reach about last year's levels, the company said. Revenue fell 5 percent to \$13.08 billion, while first-half orders were down 12 percent to \$15.03 billion.

ABB said it expected additional extraordinary charges of around \$500 million by year-end, mainly for closings or cutbacks at several facilities in Europe and North America.

The company said demand for products and services in Europe was expected to remain "sluggish" and that the slow North American recovery would only gradually affect ABB's flow of orders.

(Bloomberg, Reuters)

Investor's Europe

Exchange	Index	Thursday Close	Prev. Close	% Change
Frankfurt DAX		128.50	128.80	-0.23
London FTSE 100-Index		2,384.50	2,406.10	-0.48
Paris CAC 40		2,139.20	2,167.75	-1.00
Amsterdam CBS Trend		1,492.90	1,489.80	+0.22
Brussels Stock Index		2,384.50	2,406.10	-0.48
Frankfurt DAX		1,492.90	1,489.80	+0.22
Frankfurt FAZ		1,492.90	1,489.80	+0.22
Helsinki HEX		1,492.90	1,489.80	+0.22
London Financial Times 30		1,492.90	1,489.80	+0.22
London FTSE 100		1,492.90	1,489.80	+0.22
Madrid General Index		1,492.90	1,489.80	+0.22
Milan MIB		1,492.90	1,489.80	+0.22
Paris CAC 40		1,492.90	1,489.80	+0.22
Stockholm Affärsveiden		1,492.90	1,489.80	+0.22
Vienna Stock Index		1,492.90	1,489.80	+0.22
Zurich SBS		1,492.90	1,489.80	+0.22

Very briefly:

- Britain's economy grew 0.5 percent in the second quarter from the first period and 1.5 percent from a year earlier, the government said, confirming provisional figures. Separately, the National Institute Economic Review forecast growth of 2 percent in non-oil GDP in the second half.
- British car production fell 2.4 percent to 115,648 units in July, the industry association said. Production for export fell 3.57 percent.
- Digital Equipment Corp. said it would close its factory in Kaufbeuren, Germany, by June 1994. The factory employs 600 people and makes magnetic disk drives for information storage in computer systems.
- Wilks Corroon PLC said fluctuations in exchange rates helped boost the insurance concern's pretax profit 17 percent in the first half, to 663.1 million (\$94.1 million). In an unexplained move, the company halved its interim dividend to 2.3 pence a share.
- Germany's trade surplus widened to a provisional 4.9 billion Deutsche marks (\$2.89 billion) in May from a revised 1.3 billion in April.
- Elf Atochem, a subsidiary of Elf Aquitaine, is discussing selling a polystyrene plant near Paris to Huntsman Polystyrene Corp. of the United States. The Ribecourt plant has a capacity of 80,000 tons a year.

Earnings Rise at Den Danske

Bloomberg Business News

COPENHAGEN — Denmark's largest bank, Den Danske Bank, said Thursday its pretax profit had surged to 2.4 billion Danish kroner (\$348 million) in the first half of 1993, from 6.0 million a year earlier.

Den Danske said profit was boosted by securities-valuation gains of 1.455 billion kroner, up from 199 million kroner a year earlier. Provisions for bad and doubtful debt climbed 40 percent to 1.4 billion kroner in the first half, from 1.0 billion a year earlier.

Chief Executive Knud Sorensen said that "the improvement in core banking profits indicates that the ongoing efforts to consolidate our market position and cut costs can gradually produce results."

Den Danske Bank said the number of employees had fallen to 12,540 on June 30, from 14,640 a year earlier, helping to reduce costs.

LOPEZ: VW Official Sees Western Carmakers United in War With Japan

Continued from Page 11

company's goals were developed in Asia. Volkswagen, he said, had begun to implement a system it called KVP — an acronym of the German phrase for continuous production improvements. KVP is frankly modeled on similar approaches used by Japanese manufacturers.

"There is a change from the dominant part management has played in the past, handing everything from the top down, orders from top to bottom, changes from top to bottom," Mr. Lopez explained. "Involvement of the workers is an essential part of this third industrial revolution."

The executive insisted, though, that Western companies could not merely copy Japanese techniques.

"We need to build on our strength, on creativity," he said. "Creativity is the strength of Western society. If we use our creativity, we can beat the Japanese."

In spite of his tough talk against the Japanese, Mr. Lopez attempted at one point to soften his criticism, calling them "intelligent people, good people" with "a lot of merit." But he stressed his belief that the nationality and values of a company's owners affected the welfare of its employees.

"I prefer to live in the Western society, prefer the way we are living," Mr. Lopez said.

His comments about Japanese ownership had a ironic cast to them, considering Mr. Lopez's own reputation as a cost-cutter.

But Mr. Lopez said VW's suppliers had little to complain about. "We've started, we made some 4,000 supply decisions," he said. "Only for 4 percent, the suppliers lost their business with us."

NASDAQ

Thursday's Prices
NASDAQ prices as of 4 p.m. New York time.
This list compiled by the NYSE, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Symbol	High	Low	Open	Close	YTD %	PE	Div	Yield
IBM	125 1/4	124 1/4	124 1/4	125 1/4	10	15	0.50	4.0
MSFT	55 1/4	54 1/4	54 1/4	55 1/4	15	12	0.20	3.6
GE	30 1/4	29 1/4	29 1/4	30 1/4	12	18	0.40	5.3
DIS	28 1/4	27 1/4	27 1/4	28 1/4	18	15	0.30	4.3
AMZN	18 1/4	17 1/4	17 1/4	18 1/4	25	10	0.10	4.0
GOOG	14 1/4	13 1/4	13 1/4	14 1/4	30	8	0.15	4.5
ORCL	12 1/4	11 1/4	11 1/4	12 1/4	20	12	0.20	4.0
INTC	10 1/4	9 1/4	9 1/4	10 1/4	15	15	0.10	6.7
QCOM	8 1/4	7 1/4	7 1/4	8 1/4	12	18	0.15	6.0
TXN	7 1/4	6 1/4	6 1/4	7 1/4	10	15	0.10	7.5
HPQ	6 1/4	5 1/4	5 1/4	6 1/4	8	20	0.10	12.5
CRM	5 1/4	4 1/4	4 1/4	5 1/4	6	25	0.05	15.0
ADSK	4 1/4	3 1/4	3 1/4	4 1/4	4	30	0.05	18.0
PLTR	3 1/4	2 1/4	2 1/4	3 1/4	3	35	0.05	21.0
AMAT	2 1/4	1 1/4	1 1/4	2 1/4	2	40	0.05	24.0
KLAC	1 1/4	1 1/4	1 1/4	1 1/4	1	45	0.05	27.0
MPB	1 1/4	1 1/4	1 1/4	1 1/4	1	50	0.05	30.0
WDC	1 1/4	1 1/4	1 1/4	1 1/4	1	55	0.05	33.0
QXT	1 1/4	1 1/4	1 1/4	1 1/4	1	60	0.05	36.0
QTEC	1 1/4	1 1/4	1 1/4	1 1/4	1	65	0.05	39.0
QVIA	1 1/4	1 1/4	1 1/4	1 1/4	1	70	0.05	42.0
QWEE	1 1/4	1 1/4	1 1/4	1 1/4	1	75	0.05	45.0
QWEE	1 1/4	1 1/4	1 1/4	1 1/4	1	80	0.05	48.0
QWEE	1 1/4	1 1/4	1 1/4	1 1/4	1	85	0.05	51.0
QWEE	1 1/4	1 1/4	1 1/4	1 1/4	1	90	0.05	54.0
QWEE	1 1/4	1 1/4	1 1/4	1 1/4	1	95	0.05	57.0
QWEE	1 1/4	1 1/4	1 1/4	1 1/4	1	100	0.05	60.0

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NYSE

Thursday's Closing Tables include the nationwide prices on the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table with columns: 12 Month High Low Stock, Div, Yld PE, High, Low, Last, Chg. Lists various stock prices.

Table with columns: 12 Month High Low Stock, Div, Yld PE, High, Low, Last, Chg. Lists various stock prices.

TRADE: Growing Exports to Third World Markets Boost U.S. Economy

(Continued on page 11) Communications equipment. Many of these orders come from multinational companies, some of them American, that open factories in low-wage nations. Administration officials, however, argue that such purchases will make these countries even stronger trading partners. 'Countries are realizing that to succeed they need to make competitive, high-quality goods and before they can do that, they need to acquire the necessary machinery and raw materials,' said Walter Bastian, director of the Commerce Department's Office of Latin America. 'So what you see is huge growth in purchases of capital goods from the United States.'

Table with columns: 12 Month High Low Stock, Div, Yld PE, High, Low, Last, Chg. Lists various stock prices.

INTERNATIONAL FUNDS

Aug. 19, 1993. Questions supplied by funds listed. Not available unless explicitly stated by the funds. See page 14 for more information.

Large table listing various international funds with columns for fund name, share price, and other details. Includes sections like 'INTERNATIONAL FUNDS', 'EMERGING MARKETS', 'GLOBAL EQUITY', etc.

Advertisement for Fujitsu, featuring the company logo and text: 'Fujitsu... To our readers in Vienna and in Salzburg... You can receive the FIT card delivered to your home office on the day of publication. Just call tel. no. 0660-8155 or fax 0660-694894.'

2 Li Firms Post Strong Earnings

Compiled by Our Staff From Dispatches
HONG KONG — Hutchison Whampoa Ltd. reported Thursday a net profit of 252 million Hong Kong dollars (\$32.1 million) for the six months ended June 30, reversing a loss of 78 million dollars in the same period a year earlier.

The turnaround at the real-estate, telecommunications, energy and retail conglomerate — which is controlled by Hong Kong's richest man, Li Ka-shing, through his main investment vehicle Cheung Kong (Holdings) — reflected the elimination of red ink at its 49 percent-owned Canusky oil and gas associate, Husky Oil, Hutchison said.

Mr. Li said the group's British telecommunications businesses continued to post losses, reflecting sluggish consumer spending in Britain.

Hutchison said Husky Oil, as a result of reorganization, cost-cutting, increased shipments of gas and higher prices, made a positive contribution to profit in the six months. It did not specify the amount. In the first half of 1992, Hutchison took a 1.42 billion dollar loss provision related to its investment in Husky.

Hutchison's sales climbed to 11.52 billion dollars from 10.25 billion. Directors declared an interim dividend of 19 cents a share, up from 16 cents last year.

Separately, Cheung Kong said first-half profit climbed 94 percent, to 4.53 billion dollars. Its dividend was raised 4 cents, to 24 cents.

Mr. Li said Cheung Kong continued to seek investment opportunities in Hong Kong real estate and infrastructure and would continue to fund property, power-plant and infrastructure projects in China.

(Bloomberg, AP)

Fujitsu in a Long Tunnel

Analysts See Light, but at a Distance

TOKYO — These are humbling times for Japan's once-mighty electronics companies, given the sagging yen and worldwide economic slowdown. And nowhere have these harsh business realities been felt more keenly than at Fujitsu Ltd., Japan's largest computer maker.

Its mainframe-computer business — which represents roughly 70 percent of its group revenue — is in a severe slump. And while Fujitsu is making strides in fiber optics and software to try to create another major revenue source, there is a long way to go before things get better.

Complicating matters is an unprofitable investment in Amdahl Corp., an American manufacturer of mainframe computers that is 44 percent owned by Fujitsu.

Industry analysts expect Fujitsu to post a consolidated net loss of 30 billion yen (\$295.9 million) for the half-year ending in September. Japanese press reports recently said the loss would be 50 billion yen; but whatever the number, Fujitsu is definitely ailing.

For the year that ended in March, Fujitsu posted a group net loss of 32.6 billion yen on revenue of 3.46 trillion yen.

"Fujitsu is in the worst position among Japan's electronics makers," an analyst at Schroder Securities said.

A Fujitsu official said that he could not confirm any of the reported loss figures for the year and that the company did not announce interim group results. But the company did say in May that it expected no consolidated net profit for the year ending in March 1994.

Analysts say this year's problems at the Fujitsu group, which includes its foreign operations and its domestic semiconductor business, may be related to the poor performance of overseas computer subsidiaries and affiliates. The prime suspect is Amdahl, which reported a second-quarter loss of \$23.7 million last month and is in the midst of a major restructuring.

Fujitsu declined to comment on its relationship with Amdahl or on whether it had provided emergency financial assistance to the company recently. An Amdahl spokesman, Bill Stewart, said the company was not receiving financial assistance from Fujitsu. "They're not subsidizing us in any way," he said.

In any case, Fujitsu is feeling the pain of its investment in Amdahl, which has taken write-offs to cope with its problems.

"Because of the restructuring charge they took, Amdahl is going to generate a \$267 million loss this year," said John Jones, an analyst for Salomon Brothers in San Francisco. That means, he said, that \$120 million to \$125 million of Fujitsu's expected loss would be attributable to Amdahl.

Whether Amdahl is chiefly to blame or not, Fujitsu has already embarked on a series of measures to cut costs. In July, it said it would reduce its

An analyst at Schroder Securities says Fujitsu is 'in the worst position among Japan's electronics makers.'

work force by 6,000 people by 1995, to a total of 50,000. It also will hire fewer new graduates this year and will not replace employees who retire or resign.

To cut costs further, Fujitsu is increasing its overseas procurement of electronic parts and is negotiating to buy a new range of personal computers from Acer, Taiwan's largest PC manufacturer.

In spite of the gloom, however, analysts in Japan are recommending Fujitsu stock as a long-term buy, saying prospects for a recovery in earnings two to four years from now are strong.

And Fujitsu's stock, which closed at 766 yen a share Thursday, is up nearly 40 percent so far this year, well above the 28 percent rise in the Topix index of all shares traded on the Tokyo Stock Exchange's first section.

Fujitsu is strong in optical-fiber communications technology. And with both Japan and the United States considering massive optical-fiber networks in the next decade, the company is well poised for business growth around four years from now, said Makio Inui, industry analyst at Kleinwort Benson Securities.

A renewed focus on software-development services, rather than traditional hardware manufacture, will also serve Fujitsu well eventually. In June, the company launched a marketing plan called Propose, which offers clients full software solutions to business problems.

But until cost-cutting efforts and new businesses start to kick in, analysts expect Fujitsu to have several more fairly grim quarters.

Cosmo Units Get 2-Week Suspension Over Use of Funds

TOKYO — The Finance Ministry on Thursday ordered Cosmo Securities Co. to suspend part of its operations for two weeks for delaying warnings against questionable trading practices that led to losses of nearly \$700 million and a bailout by Daiwa Bank Ltd.

The suspension affects the two divisions of the Osaka-based brokerage concern that handle corporate accounts at its Tokyo branch, a spokesman said. He said trading for corporate clients would be halted for two weeks starting next week.

The spokesman also said Cosmo's president, Hiroshi Nakano, would take a 30 percent pay cut and other directors would take 10 percent pay cuts for three months, starting in September.

It was not clear how much the two-week suspension would affect Cosmo's business, as the activities were fairly evenly divided between the Tokyo and Osaka offices.

Cosmo announced last Friday it had sought help from Daiwa, its second-biggest shareholder, to cover previously undisclosed losses of 69.8 billion yen (\$688.4 million). The losses had been incurred by the Tokyo branch through the banned practice of shuffling funds between client accounts.

Daiwa has since admitted making 78 billion yen of unsecured loans to three Hong Kong clients of Cosmo last year. Under the terms of the bailout, Daiwa, which also is based in Osaka, will acquire 59.6 percent of Cosmo after injecting 78 billion yen into the brokerage to cover the losses.

Yamaichi Securities Co., one of Japan's Big Four securities companies, meanwhile confirmed on Thursday that it was considering a plan to bail out its financial affil-

iate with a special loan reported to be large as 80 billion yen.

"We are moving in that direction," a spokesman said. The reports said that the affiliate, Yamaichi Finance Co., was insolvent and would be rescued through another affiliate, Yamaichi Real Estate Inc., which had been considering acquiring 50 billion yen in collateral held by Yamaichi Finance.

The real-estate company reportedly plans to raise the cash by selling assets. Several group companies are expected to acquire Yamaichi Finance shares with an estimated value of 10 billion yen by the end of March.

BaE and Taipei Dispute Loans

TAIPEI — A planned joint venture between British Aerospace PLC and Taiwan Aerospace Corp. to produce passenger jets may collapse because of a dispute over bank loans, a senior government official said Thursday.

Vice Economics Minister Yang Shih-chien said British Aerospace had accused Taiwan of failing to provide \$460 million in loans for the £250 million (\$375 million) venture.

A banking consortium led by the state-run Chaotung Bank is demanding collateral in the form of property or other securities from the joint venture, known as Avra, before providing the loans, in line with normal lending practice. BA has rejected the collateral demand, Mr. Yang said.

Seoul Ratifies Ban on Aliases

SEOUL — South Korea's parliament on Thursday approved a presidential decree banning the use of false names in financial dealings, part of the government's effort to stamp out corruption.

All the 299-member National Assembly except for one opposition legislator supported President Kim Young Sam's decree, announced a week ago.

Legislators said the decree would send billions of dollars hidden in bank accounts, stocks and property under false names flowing into industrial investment.

The practice of using aliases was introduced in the early 1960s.

Pepsi Grows in China With 9th Joint Venture

HONG KONG — China's "cola wars" heated up Thursday with Pepsi-Cola International announcing its ninth joint venture in what could become the world's biggest single soft-drinks market.

The U.S.-based food and beverage concern also said it would soon unveil a major new investment strategy for China, including more Pepsi-controlled joint ventures.

Pepsi spokeswoman said the new venture, Sichuan Pepsi-Cola Beverage Co., in the southwestern city of Chengde, would bottle a broad range of Pepsi products, including 7-Up and Miranda Orange.

Pepsi will hold 27 percent of the registered capital in the \$10.5 million venture, the remainder belonging to Sichuan Provincial Broad-

casting & Television Industrial Development Corp.

"China is a top-priority market for us and our business there is expanding at a fast pace," said Tony Ilaley, Pepsi's president for Asia-Pacific.

Pepsi's news came a day after its rival, Coca-Cola, said it would set up a third joint-venture bottling plant in China with Hong Kong's Kerry Group, in the central city of Wuhan. Coca-Cola wants to open 10 new plants in inland China in the next five years.

Miguel Ko, Pepsi's group vice president for North Asia, said Pepsi would in the next two months announce a new China investment plan that would include more joint ventures.

JAPAN: Government Will Shift Power to Consumers

Continued from Page 1

built up over decades will be difficult. In addition to fierce opposition from the bureaucracy, there are sharp differences within the eight-party coalition and the risk that sweeping changes could devastate protected sectors of the economy.

"Deregulation will be the theme of politics over the next five years," said Kenneth Couris, chief economist at Deutsche Bank Group. "But there are so many basic tenets of policy that need to be revised that it will take a very long time."

The upshot is that although the government hopes to use deregulation to spur the languid economy, the immediate benefits will be small. As a result, officials are likely to lower interest rates as well as income and corporate taxes as soon as September.

Although the Bank of Japan governor, Yasuhiro Mieno, ruled out any immediate cut in the discount rate on Wednesday, Trade Minister Hiroshi Kagami said Thursday that a reduction in the cost of loans to banks was necessary.

"It would be very presumptuous of the Bank of Japan to claim they have never made a mistake," he said.

Mr. Kagami's criticism reflects the sense of crisis that hung over the cabinet meeting because of the

rapid run-up in the value of the yen. Originally, the session was scheduled to orient the new cabinet, which took power earlier this month, to general economic issues.

The yen has jumped nearly 20 percent this year against the dollar, making most Japanese exporters unprofitable and threatening the economy with deeper recession and higher unemployment. This is spurring calls from industry to deregulate the economy and transfer the yen's strength to consumers whose added spending would help rejuvenate an economy in which growth has crawled nearly to a stop.

Foreign governments, meanwhile, are unhappy with the Japanese trade surplus and want import barriers to be reduced and consumers to buy more foreign-made products.

The mid-September deadline for coming up with specifics areas for deregulation will come just prior to Mr. Hosokawa's first meeting with President Bill Clinton, in New York.

In a 20-minute telephone call to Mr. Clinton after the cabinet meeting, the Japanese leader pledged to honor an accord between the two nations reached last month in which Japan agreed to a "highly significant decrease" in its trade surplus.

Investor's Asia

Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	7,005.26	7,590.97	+0.89
Singapore	Straits Times	1,948.78	1,951.40	-0.13
Sydney	All Ordinaries	1,925.30	1,894.70	+1.67
Tokyo	Nikkei 225	20,687.47	20,773.18	-0.41
Kuala Lumpur	Composite	798.82	791.02	+0.99
Bangkok	SET	955.35	958.01	-0.28
Seoul	Composite Stock	737.97	713.18	+3.48
Taipei	Weighted Price	4,093.41	4,104.75	-0.28
Manila	Composite	1,760.88	1,767.65	-0.38
Jakarta	Stock Index	384.82	382.01	+0.74
New Zealand	NZSE-40	2,019.18	1,957.24	+3.16
Bombay	National Index	1,285.40	1,281.70	+2.74

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- Hyundai Heavy Industries Co. workers voted to approve a contract that raised wages an average of 4.7 percent, ending a six-week labor dispute at the world's largest shipyard.
- Nissan Motor Co.'s president, Yoshifumi Teraji, said the carmaker might produce fewer than the 1.04 million vehicles forecast for the six months to March 1993 because of dwindling Japanese demand.
- Japan's household spending in the first half of 1993 fell by an inflation-adjusted 0.9 percent from 1992. Spending was sluggish on items such as travel, education and clothing, reflecting reduced summer bonuses.
- Japan and France are leading a group of countries that will pay Vietnam's \$140 million debt to the International Monetary Fund, diplomats said. Tokyo and Paris each will pay \$50 million.
- American Telephone & Telegraph Co. formed a venture with Shanghai Optical Fiber Telecommunications Engineering Corp., Shanghai Municipal Administration of Post & Telecommunications and Post & Telecommunications Industrial Corp. of China to make optical fibers.
- Tan-Tex Corp. of Taiwan will develop tourist resorts at Camp John Hay and Wallace Air Station, two former U.S. military facilities in the Philippines. Camp John Hay was a recreation center for U.S. forces.

DEFICIT: June Trade Gap Soars

Continued from Page 11

monthly trade deficits running at an annual pace of \$100 billion or more. The U.S. trade deficit peaked at \$152.12 billion in 1987.

The annual trade deficit fell gradually to \$66.72 billion in 1991 as the value of the dollar shrank on foreign-exchange markets, and then grew last year to \$84.50 billion as the American economy began expanding while other economies did not.

The weakest June trade figures were for commerce with Western Europe, Japan, Latin America and members of the Organization of Petroleum Exporting Countries. With the European Community forecasting a shrinkage in economic output this year, sales of American goods there and elsewhere in Western Europe have steadily slackened and the American trade surplus has evaporated.

The United States ran a \$332 million surplus with Western European nations in May that turned into a \$1.7 billion deficit in June, the Commerce Department said Thursday. Exports tumbled 11.5 percent from May, while imports climbed 9.9 percent.

Exports to developing countries and Canada have offset part of the weakness in American exports to Western Europe and Japan.

First-Time Jobless Down

The U.S. Labor Department said Thursday that the number of Americans filing first-time claims for jobless benefits dropped by 6,000 last week to the lowest level since February. The Associated Press reported.

The department said new applications for unemployment insurance totaled 325,000, the smallest since a similar number of initial claims was filed during the week ended Feb. 13.

AMEX

Thursday's Closing

Tables include the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52
12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52
12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52

12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52
12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52
12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52

12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52
12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52
12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52

12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52
12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52
12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52

12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52
12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52
12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52

12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52
12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52
12 Month	High	Low	Open	Close	Div	Yld	PE	52	High	Low	Latest	Open	Close	Div	Yld	PE	52

SPORTS BASEBALL

Jays, 4 Runs Back, Win In 11 as Yankees Lose

The Associated Press
 Boston wins when Danny Darwin nearly pitches a no-hitter. Detroit wins when it rallies for six runs in the ninth inning. Baltimore wins when it ends an eight-game losing streak.

Still, all three teams are no closer to first place, because Toronto never seems to lose.

The Blue Jays won their fifth in a row Wednesday night, bouncing back from a four-run deficit to beat Cleveland in 11 innings.

The only change in the American League East standings was that the Blue Jays increased their lead over the second-place New York Yankees, who lost to Texas. Toronto remained 4½ ahead of Boston and 6½ in front of Baltimore.

Darwin stopped Boston's three-game losing streak, and came closer to pitching the first no-hitter at Fenway Park in 28 years. He gave up only one hit — Dan Pasqua's one-out triple off the center-field wall in the eighth inning — as the Red Sox downed the Chicago White Sox, 5-0.

Pasqua, batting only .182, lofted a drive that hit just above the outstretched glove of Billy Hatcher.

"I just made a bad pitch and major league hitters are going to hit mistakes," Darwin said. "I thought it was a homer when he hit it. I thought it was in the bleachers."

It was his third one-hitter in the major leagues, but his first shutout

since Aug. 15, 1987, when he was with Houston. He struck out two and walked two.

There has been only one no-hitter in the majors this season, by Seattle's Chris Bosio against Boston on April 29.

"It was fun while it lasted," Darwin said.

Royals 5, Twins 2: Kevin Appier held host Minnesota hitless for 5½ innings and Gary Gaetti homered.

AL ROUNDUP

again as Kansas City won its third straight and closed to 2½ games of the West-leading White Sox.

Gaetti, a former star of the Twins, homered for his second straight game. Greg Gagne, another former Minnesota player, had two hits.

Appier gave up five hits in eight innings, and Jeff Montgomery closed for his 38th save.

Blue Jays 7, Indians 6: John Olerud singled with two outs in the 11th in Cleveland, moved up on a wild pitch by Derek Lilliquist and scored on Paul Molitor's sharp single through the middle.

The Blue Jays had tied at 6 on Devon White's RBI double in the eighth.

Olerud went 3-for-5, raising his batting average to .389. Rickey Henderson drew four walks, tying a Toronto record.

Rangers 4, Yankees 2: Dean Palmer hit a homer — just his second since the All-Star game — and Texas made four double plays in the first five innings at Yankee Stadium.

Palmer's 23rd homer, a two-run shot in the second inning, put the Rangers ahead. Roger Pavlik made it stand up with help from relievers Craig Lefferts and Tom Henke, who got his 29th save.

Tigers 8, Angels 6: Travis Fryman hit a two-run single that highlighted a six-run rally that began with one out in the ninth as visiting Detroit overcame two home runs by California's Tim Lincecum.

Salmon, who is leading major league rookies with 27 homers and 79 RBIs, set a team record for home runs by a rookie. Ken Hunt hit 25 in 1961.

Salmon drove in three runs and scored three times. He has homered in three straight games.

Orioles 8, Mariners 1: Baltimore stopped its longest losing streak in five years at eight games, winning in Seattle as Harold Reynolds hit a three-run homer during a five-run fifth and Jamie Moyer pitched a complete game, giving up eight hits and striking out eight.

Athletics 2, Brewers 1: Scott Brosius hit a two-run homer in Oakland and Ron Darling held Milwaukee to four hits, while striking struck out seven, in seven innings.



Although the Cubs won, 2-0, it looked like anything but a baseball game in Chicago as shortstop Rey Sanchez, left, and second baseman Ryne Sandberg played hopscotch with Larry Walker ...

At U.S. Open, Man Will Back Machine

By Robert McG. Thomas Jr.

New York Times Service
NEW YORK — The U.S. Open's historic leap into the future of automated officiating will be accompanied by time-tested asterisks when the U.S. Tennis Association's electronic line-calling system is introduced at the Open this month.

According to Steve DeVoe, the tournament director, the new system, which signals a long or wide shot with a loud beep, will indeed be used to make all line calls on the four main courts at the National Tennis Center from the first qualifying matches on Aug. 30 to the men's final on Sept. 12.

But in response to player concerns, he said, line judges will be at their usual places, reinforcing the beeps with their familiar hand signals and cries of "out."

In disclosing a modification of plans announced in June to make the 1993 Open the world's first tournament to use the new system, known as TEL (for Tennis Electronic Lines), DeVoe stressed that the players had not questioned TEL's vaunted accuracy and reliability but merely its potential psychological impact on players experiencing it for the first time.

Or, as he put it, "the intangibility of a player walking onto a court at a tournament such as the U.S. Open and finding something that looked, felt and smelled brand new."

When the new system was announced in June, the plan was to use only the chair umpire, a net-cord judge and two foot-fault

judges, while dispensing with as many as half a dozen line judges who are usually clustered around the court.

Although the line judges have been reinstated, DeVoe made clear that they would not be suspenders to TEL's belt, but merely decorative wrinkles. The judges, he said, will not render independent judgments on close calls but merely reinforce the electronic beeps with hand and voice signals.

On obvious calls, beyond the zone of the system's sensors, 11 inches (28 centimeters) outside the lines and 9 inches inside, the line judges will make the determination as in the past. The original plan had been for the chair umpire to make those calls.

In a blind test of the system at last year's Open, DeVoe recalled, of some 3,000 close calls rendered by line judges during 45 men's and women's matches, TEL, which was secretly monitored with its sound off by umpires sitting in the stands, agreed on 90 percent of the judges' calls and disagreed on 10 percent.

Extensive other tests establishing TEL's pinpoint accuracy left little doubt that the judges' calls in those cases, mostly at the service line, were wrong.

That, DeVoe said, was hardly surprising. "The ball is simply moving so fast," he said, "that the human eye is not capable of monitoring the ball. Testing for several years has proven that the human eye is not capable of making an accurate call."

Green, Demery Threatened by Other Prisoners

The Associated Press
LUMBERTON, North Carolina — The two 18-year-olds accused of killing James Jordan have been separated from other inmates in the county jail because of concerns about their safety.

"We are keeping them in security cells — not in isolation — for their own protection," said Mark Locklear of the Robeson County sheriff's department.

"The Jordan family is well-liked. We don't want anything on our hands," he said. "These are threats that could easily be carried out."

Daniel Andre Green and Larry Martin Demery have been charged with first-degree murder. Authorities contend they killed the father of Michael Jordan, the National Basketball Association superstar, on July 23 as James Jordan napped in his car.

Green and Demery are being kept in separate cells and are entitled to use the jail's canteen and recreation areas, but the areas are cleared of other inmates while they are using them, Locklear said.

Locklear said other inmates, some in jail awaiting trial on homicide charges, had been heard urging jailers to "send them back to our cell block. We'll save the state some money."

Green and Demery have been told of the threats, and one asked to be separated from the other inmates, Locklear said. He declined to say which of the two made the request.

Angus Thompson, a public defender who is representing Green, objected to separating his client from the general inmate population of about 350. Locklear said. Thompson could not be reached for comment.

Bonds Clobbers Ex-Mates, Giants Keep Braves at Bay

The Associated Press
 The Pittsburgh Pirates, who couldn't keep Barry Bonds and his \$43.7 million salary in their clubhouse, probably wish they could keep him out of their ballpark.

Bonds helped the San Francisco Giants stay 6½ games ahead of the streaking Atlanta Braves in the National League West by going 4-for-5, with two homers and four runs batted in during a 9-6 victory Wednesday night in Pittsburgh.

"He had a great night," said Pittsburgh's manager, Jim Leyland, "but then I've seen him have a lot of great nights — and, fortunately, most of them were in a Pirates uniform. He's going to have a lot more great nights."

NL ROUNDUP

Bonds, who helped the Pirates win three Eastern Division titles, doubled in the first, singled in the third, followed Robby Thompson's homer with an even longer one in the fifth and homered again in the ninth.

He now has 38 homers, four more than he ever hit in a season in Pittsburgh, and 94 RBIs, and it's only mid-August. The effect on both teams is obvious: A year ago the Giants were 57-63, and now they're 80-40; the Pirates were 69-52, and now they're 57-64.

But until Wednesday night, Bonds had spared his former teammates; he was hitless in 12 at-bats in Three Rivers Stadium and bunting just 138 this season against the Pirates.

"I was too laid back, too mellow," Bonds said. "I had to get my intensity back. I had to get back to playing the way I play the game."

Braves 5, Dodgers 4: Ron Gant's sacrifice fly in the 12th gave Atlanta its ninth straight victory as the Braves took advantage of two Los Angeles errors.

Gant's liner to center field scored Mark

Lemke, who had opened the inning by reaching base on shortstop Jose Offerman's throwing error, his 28th of the season.

Pinch-hitter Rafael Belliard popped out to first attempting to bunt. But Roger McDowell's wild pickoff throw to first put Lemke on third. Deion Sanders was intentionally walked before Jeff Blauser walked to load the bases.

The Braves had tied it with two outs in the ninth on Damon Berryhill's RBI double after Todd Worrell issued a one-out walk to David Justice. Pinch-runner Otis Nixon stole second and Terry Pendleton grounded out before Berryhill doubled down the right field line.

Phillies 7, Rockies 6: John Kruk hit two bases-empty homers and Kevin Stocker drove in three runs as Philadelphia won for the fifth time in as many games in Denver.

Colorado took a 6-5 lead in the fifth on an RBI double by Chris Jones and an RBI ground out by Charlie Hayes, but Kruk tied it in the seventh with his second homer, and Stocker singled in a run.

Cardinals 4, Padres 0: Donovan Osborne held San Diego to two hits over seven innings and St. Louis, playing at home, scored three times in the seventh when Gregg Jefferies, who extended his hitting streak to 15 games with three hits, doubled in the last run.

Mets 12, Reds 2: New York's Frank Thomas hit his first major league triple, a bases-loaded drive down the right-field line, and held host Cincinnati to five hits over eight innings.

Astros 2, Marlins 1: Pinch-hitter Chris James singled in the winning run in the eighth as Houston beat Florida. Greg Swindell snapped a six-game losing streak at home.

Cubs 2, Expos 0: Greg Hibbard and two relievers combined on a four-hitter and Sammy Sosa homered as Chicago beat visiting Montreal.



...and Montreal second baseman Randy Ready dribbled grounders.

Egad! Play Baseball On a Cricket Pitch?

The Associated Press
LONDON — The Oval, one of England's most hallowed cricket grounds, will play host to a three-day baseball festival this fall, with games featuring U.S. minor league players.

The British-American Baseball Festival, Oct. 1-3, will include two games with representatives from the Boston Red Sox and New York Mets organizations. Most of the players will come from the teams' International League clubs, the Pawtucket Red Sox and the Norfolk Tides.

"It'll be the best players who are available to us," said Mike Carlson, of Major League Baseball International, who said he hoped some major league players would also participate.

The festival will begin with a demonstration and school clinics for children on Friday, Oct. 1, with the games following on Saturday and Sunday.

Another proposed event is a baseball-cricketer challenge, with participants from both sports trying a hand at each others' game. Carlson said negotiations were under way to get English cricket stars to play.

The goal is to turn the normally reserved cricket atmosphere at the Oval into a rowdier baseball experience, Carlson said.

"We'll have popcorn, peanuts and Cracker Jacks, we hope — the whole works," he said.

Baseball is the latest of the major American sports to send teams to Britain. The National Football League played its annual American Bowl game at Wembley Stadium earlier this month. The National Hockey League, in the form of the Toronto Maple Leafs and New York Rangers, is coming for the second year in a row to Wembley Arena next month, followed by the National Basketball Association's Orlando Magic and Atlanta Hawks, in October.

The promoter of the NBA and NHL games is also negotiating to bring two major league baseball teams to Lord's, the country's premier cricket stadium, next year.

Cricket traditionalists have scoffed at the idea of a foreign sport invading their grounds since the idea was suggested last year.

"We feel that baseball at the Oval is not the sacrilege some have suggested," said Frank Heffron, the president of Major League Baseball International, "but rather the natural coming together of two great games and great traditions."

For investment information read THE MONEY REPORT every Saturday in the IHT

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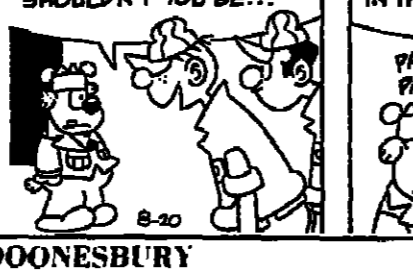
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SPORTS ATHLETICS

Another Title for Bubka, and Redemption at Last for Ottey in the 200

By Ian Thomsen
International Herald Tribune
STUTTGART — Sergei Bubka is the Michelangelo of world athletics champions. The thing is that nobody ever paid to watch Michael...

high-tech shadow of her was cast across the stadium onto a giant color screen. An announcement — "Merlene Ottey" — and the arena filled with a noise not unlike that of jet engines. The support did not waver the wrinkled strain around her large, proud eyes.

His next attempt, at 5.90 meters, was no problem. Neither was 6 meters. It was too high for his only remaining competitor, Grigori Yegorov of Kazakhstan, and now Bubka, the championship in hand, asked that the bar be set at 6.14, a centimeter higher than his outdoor record.

His bright camera flashes appeared all around the stadium. He had just finished bowing to the crowd when Ottey reappeared on the track, the star of her final final. She still believed that her first major individual gold medal had been stolen from her in the 100 meters earlier in the week.

raised slightly higher. On her right shoulder Gwen Torrence of the U.S., the defending Olympic champion, was gaining ground with nothing to lose. If Torrence was running, then Ottey was staggering. She was going to run 200 meters and not one meter further.

The roar was sounding like a scream as she ran her last step, jolting herself to a jog. The result was not immediately certain, but she had been waiting long enough. Pulling a Jamaican flag from out of the audience, she had done another quarter lap when her time was flashed on the board at 21.98 seconds, or 0.2 faster than Torrence. The crowd embraced her in a verbal hug, slowing her to a walk, telling she need never run so fast again.



Gail Devers, who beat Merlene Ottey for a disputed 100-meter title, stared down the lane Thursday, then ran the fastest 100-meter-hurdles first-heat, 12.74 seconds.

Gunnell Sets World Mark In Women's 400 Hurdles

STUTTGART — Olympic champion Sally Gunnell of Britain set a world record of 52.74 seconds to win the women's 400-meter hurdles gold medal Thursday at the World Athletic Championships.

straight still trailing France's Stephanie Diagana but put in a strong final kick to win by some five meters in a championship record of 47.18 seconds.

go ahead by nine points. —3,672 to 3,663. O'Brien had led Meier by 104 points after the first three events, having shared the best time in the 100 meters (10.57 seconds), won the long jump in 7.99 meters and made the fifth best throw in the shot put at 15.41 meters.

SCOREBOARD

BASEBALL

Major League Standings

Table showing Major League Standings for American League and National League, including teams like Toronto, New York, Boston, and Philadelphia.

Wednesday's Line Scores

Table showing Wednesday's Line Scores for various baseball games, including Toronto vs New York and Philadelphia vs Los Angeles.

SOCCER

Table showing Soccer results, including matches like Bayern Munich vs Borussia Dortmund and Arsenal vs Liverpool.

FOOTBALL

Table showing Football results, including matches like Toronto vs Montreal and Philadelphia vs New York.

ATHLETICS

5th IAAF World Championships in Stuttgart

- 5th IAAF World Championships in Stuttgart
WOMEN'S 400-METER HURDLES FINAL
1. Sally Gunnell, Britain, 52.74 (World Record)

WOMEN'S 200-METER HURDLES FINAL

- WOMEN'S 200-METER HURDLES FINAL
1. Gail Devers, USA, 12.74

WOMEN'S 100-METER HURDLES FINAL

- WOMEN'S 100-METER HURDLES FINAL
1. Gail Devers, USA, 12.74

WOMEN'S 100-METER HURDLES FINAL

- WOMEN'S 100-METER HURDLES FINAL
1. Gail Devers, USA, 12.74

Sheffield Gets The English Star Sinton

Sheffield, England — The protracted battle for soccer star Andy Sinton came to a close Thursday when the national team's winger signed a four-year contract with Sheffield Wednesday.

WEDNESDAY PAID QUEENS PARK RANGERS £2.75 MILLION (\$4.12 MILLION) FOR SINTON, WHO WAS ALSO COURTED BY PREMIER LEAGUE RIVALS ARSENAL AND LIVERPOOL.

WEDNESDAY WAS ABLE TO AFFORD THE TRANSFER AFTER SELLING U.S. INTERNATIONAL JOHN HARKES TO DERBY AND PETER SHIRRIFF TO WOLVES.

ARSENAL HAD AGREED TO A PRICE FOR SINTON LAST FRIDAY, BUT THE PLAYER WAS UNABLE TO COME TO TERMS WITH THE LONDON TEAM.

THE START OF THE ISRAELI SEASON MAY BE DELAYED WHILE POLICE PROBE MATCH-FIXING ALLEGATIONS INVOLVING PLAYERS, MANAGERS AND FANS, GOVERNMENT OFFICIALS SAID THURSDAY.

POLICE SAID THREE PLAYERS, EIGHT CURRENT OR FORMER TEAM OFFICIALS, AND THREE TEAM SUPPORTERS HAD BEEN DETAINED FOR QUESTIONING IN THE SCANDAL SURROUNDING THE PROFESSIONAL HAZRATI LEAGUE.

POLICE SUSPECT SOME MATCHES WERE FIXED FOR MONEY WHILE OTHERS WERE RIGGED SO THAT TEAMS WITH LOSING RECORDS COULD AVOID BEING DROPPED TO SEMI-PROFESSIONAL LEAGUES.

ISRAELI RADIO SAID THOUSANDS OF DOLLARS CHANGED HANDS IN THE FIXING OF SOME MATCHES.

BERNARD TAPIE DECLARED THURSDAY THAT THE MATCH-FIXING SCANDAL ENVELOPING HIS CLUB, OLYMPIQUE MARSEILLE, IS HURTING ONE OF HIS KEY ADMIRERS: FRENCH PRESIDENT FRANCIS MITTERAND.

"I'M IN A TORMENT THAT BENEFITS A LOT OF PEOPLE," THE NEWSPAPER LE FIGARO QUOTED TAPIE AS SAYING.

"WHATEVER hurts me touches the president a bit, and a lot of people want to get at him."

Obree Gets Title — and Another Record

HAMAR, Norway — Graeme Obree smashed his own day-old world record Thursday when he became the first Briton for 35 years to win the 4,000-meter pursuit title at cycling's world track championships.

THE 27-YEAR-OLD SCOT, TIMED IN 4 MINUTES, 20.894 SECONDS, BEAT FRENCHMAN ERNEST MENT OF FRANCE BY 1.774 SECONDS.

ERNEST HAD LED FOR FIVE OF THE 16 LAPS OF THE FINAL, BUT ONCE OBREE HAD SETTLED INTO HIS RIDE HE TOOK COMMAND. THE FRENCHMAN HAD HELD THE 4,000 RECORD, AT 4:23.562, FOR A FEW HOURS ON WEDNESDAY BEFORE OBREE BROKE IT WHILE DEFEATING OLYMPIC CHAMPION CHRIS BOARDMAN.

BOARDMAN GOT THE BRONZE MEDAL, AS THE FASTEST SEMIFINALIST. IN JULY, HE SHATTERED OBREE'S SIX-DAY-OLD WORLD RECORD IN BORDEAUX.

OBREE WAS LARGELY UNKNOWN OUTSIDE BRITISH RACING UNTIL HE BROKE FRANCESCO MOSER'S NINE-YEAR-OLD ONE-HOUR MARK ON THE HAMAR TRACK.

HE HAS AN AWKWARD-LOOKING STYLE — HIS CHEST RESTING ON THE HANDLEBARS, ELBOWS STUCK OUT AND BEHIND OF THE SADDLE — AND HIS BIKE, WHICH HE BUILT IN A FRIEND'S CYCLE WORKSHOP, INCLUDES THE BEARINGS FROM A WASHING MACHINE.

"MY NEXT AMBITION IS TO REGAIN THE WORLD HOUR RECORD," OBREE SAID. "I THINK I AM GETTING CLOSE TO MY LIMIT. I WAS FIGHTING FOR THE JERSEY TONIGHT AND IT ALWAYS MAKES YOU GO FASTER."



Adam Laurent, left, crashed into fallen teammate Matt Hamon but the U.S. pursuit team, with a second ride, gained the second round.

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OBSERVER

Music for Geezers

By Russell Baker
NEW YORK — Every year I have a birthday, and this year was no exception. For a long time I was afraid to admit that I was experiencing birthdays because in those days Americans hated for people to get older, which is what happens on birthdays.

Lord Archer Savors the Last Chuckle

By John Darnton
LONDON — Jeffrey Archer — that's Lord Archer, actually — is having the last laugh. It's an understated laugh, really more of a long, drawn-out chuckle. That's in keeping with the surroundings, the vaulted and immaculate restaurant underneath the House of Lords, where the water bows imperceptibly and intones: "Everything all right, m'Lord?"



Jeffrey Archer, politician-turned-author-turned-politician: "Very privileged and very lucky."

good to be back in this building, it's good to be back in the center of the action. A title simplifies things. Today I was interviewed — on radio and on television — and there was none of this: "How shall we identify you?" It's all straightforward, Lord Archer.

Politics is his first love, writing is the meat ticket. It comes hard and is the product of discipline. Two years, 1,200 hours and 17 drafts is a book, he claims. He leaves London to do it. No interruptions. And an ironclad schedule: writing hours are 6 A.M. to 8, 10 A.M. to noon, 2 P.M. to 4, 6 P.M. to 8, and to bed at 9:30. Presto, in six weeks, a first draft.

He took a sip of his favorite drink, a St. Clements, and then dug into his fish cakes. "The secret is storytelling. You take an idea and then plot it so the reader can't not turn the page. And make it topical. It's important that the book be up-to-date. I was able to get in the Waco siege and the New York bombing. But I missed Clinton's haircut by a fortnight." He looked genuinely pained.

PEOPLE

Morris Rises from Ashes

And Fills the Bleachers
The man is an Aladdin's cave of imaginative genius, said the Herald newspaper. Mark Morris, the U.S. choreographer, turned tragedy into triumph when he offered to stage the world premiere of his "The Spell" in a field.

Steve Adler, former drummer for Guns N' Roses, said he was cheated out of millions when he was kicked out of the band because of his heroin addiction. He claims that he was tricked into signing over his share of profits, which his lawyer estimated at \$4 million to \$10 million.

Priscilla Presley, divorced from the King in 1973, took charge of money matters and has seen the estate rise from \$5 million to \$100 million over 14 years. She told Working Woman magazine that her original priority had been to assure the security of Lisa Marie, their daughter, but "then it just grew and grew."

Steve Hoffenberg, the New York debt collection tycoon who was frozen out of a deal to buy the New York Post, is going to publish a daily tabloid for women, "Her New York." He said the city's three other tabloids shortchange women in their coverage.

INTERNATIONAL CLASSIFIED
Appears on Pages 4, 5 & 8

WEATHER

Weather forecast for Saturday through Monday, as provided by Accu-Weather. Includes maps of Europe, North America, Asia, Africa, Latin America, and Oceania with temperature and precipitation data.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution to a puzzle from August 19.

If you're going to travel all over the map, here's how to call from almost any point on it.



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